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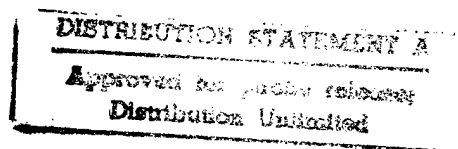
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# Latin America Report

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22 October 1982

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No. 2593

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## OPPOSITION DLP LEADER QUERIES GOVERNMENT ON PURCHASE OF MOBIL

Bridgetown ADVOCATE-NEWS in English 16 Sep 82 p 2

[Text]

Opposition Democratic Labour Party (DLP) parliamentarian Branford Taitt has appealed to Government to provide more information on the acquisition of the assets of the American oil company, Mobil.

Mr. Taitt made the request during debate on a Bill to amend the Petroleum Winning Operations Taxation Act.

The DLP spokesman said the House was owed an explanation as to what occurred between Government and Mobil so that members can assess whether the price was a fair one.

He said there were a sufficiently large number of Barbadians who felt the country is still theirs, and they ought to know how Government spent their money.

The St. Michael West MP also suggested that if the National Petroleum Corporation (NPC) is engaged in negotiations on behalf of the country, a report should also be placed before the chamber.

He said that since that was not done a substantial amount of rumour was making the rounds surrounding the purchase.

Mr. Taitt also called on Government to give an update on the proposed wind energy project planned for the East Coast.

Also lending support was DLP spokesman on Finance Dr. Richard Haynes who said the Opposition will not be tolerating a situation where Government comes to the House and talks about an agreement without parliamentary approval.

He hoped Government would introduce a resolution dealing not only with the Mobil takeover, but with the entire energy situation in the country.

He added that he was aware of the problems associated with exploratory exercises not only in Barbados but throughout the Caribbean.

But Government backbencher Lindsay Bolden rejected the Opposition's calls for more information on the deal by stating that there were occasions in the past where the former Government conducted business without approval of the House.

One of these, he said was back in 1961 when the then Government signed an agreement with Mobil and again when it bought a boat.

He said that he was surprised that Government did not acquire all of Mobil's assets overnight, and stated that Government's decision was taken within its judgement of what is best for the country.

## OPPOSITION ORGAN ASSAILS ELECTRICITY OPERATIONS, PRICES

Georgetown MIRROR in English 12 Sep 82 p 1

[Text] MANAGEMENT of the Guyana Electricity Corporation (GEC) has found another excuse to jack up electricity rates. Since there is no oil price rises to blame, so as to increase "fuel charges" the GEC now claims "higher operational costs for the recommissioned gas turbine". The charges will therefore be jacked up by 13%.

Electricity consumers are fed up with the GEC, and are annoyed over the unrealistic power policies of the PNC regime. In the first place the gas turbines are really meant for emergency use, but are being run round the clock. They consume fantastic amounts of fuel, and according to experts were not meant for an oil importing country like Guyana.

Current electricity bills are shocking. Consumers pay with great difficulty, with the regime affording poor families not relief. Failure to pay within a short time results in disconnection. The fee for reconnection has been jacked up from \$25 to \$50. The new rate go into operation from October 1, 1982, according to the GEC management.

The GEC also claims that another reason for the increased charges is its "costly rehabilitating programme" now in progress. This increase is being proceeded with despite a reported reduction in costs by \$5 million for 1982 so far.

Electricity consumers, including domestic, commercial and industrial users are totally dissatisfied with the way the GEC is being run, but their protests and suggestions are falling on deaf ears. There are still massive sporadic blackouts (scheduled and un-scheduled) generating chaos and losses in the 3 sectors. The so-called "fuel charge" is now observed to be several times the basic charge for electricity consumed, a very strange situation.

Mirror understands that the power stations at Garden of Eden, Versailles, and Canje are experiencing severe mechanical problems, thereby reducing their generating capacities. To help make up the power deficit, government has now tapped the Mackenzie plant of the Guymine operation...expecting to obtain some 4 megawatts maximum added power.

The regime's 1982 estimates show that the operating deficit of the GEC is expected to be \$7.3 million in 1982, which contrasts with a \$21.7 million deficit in 1981. It is significant to note that in 1981 the regime had expected an operating surplus of \$5.6 million. In 1980 the operating deficit stood at \$23.5 million.

For 1982 the central government has allocated \$9.5 million to the GEC as "management assistance".

CSO: 3298/012



## DETAILS OF GOVERNMENT'S PURCHASE OF ESSO REPORTED

Kingston THE DAILY GLEANER in English 22 Sep 82 pp 1, 15

[Text]

TOTAL PURCHASE price for the Esso Refinery and associated facilities has been estimated at U.S.\$39 million, The Prime Minister, the Rt. Hon. Edward Seaga told the House of Representatives, yesterday.

In a statement to the House, Mr. Seaga said that the Government agreed to purchase all Esso West Indies physical assets, at an estimated purchase price of U.S.\$14 million; materials and supplies, for U.S.\$2 million.

Additionally, the Government has agreed to acquire the inventories of reconstituted crude petroleum and petroleum products in tankage, in process, in pipelines and intransit at a value to be determined.

When the purchase agreement was officially announced just over a week ago in press releases from the Ministry of Mining and Energy and the company, the price stated was US\$14 million.

Subsequently the Gleaner reported that the total sum involved in the transaction was US\$55 million. There were other media reports of higher figures.

In his statement to the House yesterday Mr. Seaga said:

"The 1962 agreement between Esso and the Government of Jamaica came up for renewal in May 1982.

It was the intention of the government to maintain the status quo as long as this was in keeping with the objectives of the government which were primarily to minimize as far as possible foreign exchange outflow while maintaining supplies of petroleum products at the lowest possible price.

The objective of Esso was to earn a level of profit commensurate with their corporate goals and responsibility to their shareholders. Esso stated categorically, that if such a level of profit could not be assured then their next preferred position would be to shut down the plant and liquidate their assets in Jamaica.

Both parties explored in a most co-operative manner the possibility of coming to an agreement that could meet both objectives. It ultimately became apparent to both parties that their objectives were mutually exclusive.

To allow Esso the level of profits commensurate with their corporate goals and responsibility to their shareholders would result in substantial increases in the price of petroleum products including gasoline.

To shut down the refinery under Esso's preferred

alternative would mean the loss of some 100 direct jobs and 200 indirect jobs, plus the country would be losing the benefit of technical skills built up over the past 20 years.

One alternative the Government had was to import the product but this would also mean a shut down of the refinery, with the resultant negative impact on production and the growth of the gross domestic product as well as other implications as stated above.

Against this background the government took the decision to negotiate with Esso for the acquisition of its refinery facilities located in Jamaica.

The negotiations took place in a friendly and co-operative atmosphere and the government is satisfied that the terms of the acquisition permit the government to meet its stated objectives. At the same time the terms of the agreement have ensured that Esso's activities in the area of marketing and their lubricant oil blending operations in Jamaica will continue.

The agreement to purchase assets and acquire the inventories entered into with the government and Esso West Indies Limited, dated September 11, 1982, will be followed by a more detailed agreement at the end of this month and is subject to the Government of Jamaica obtaining an inspection of the refinery and its facilities and receiving a satisfactory report by September 24, 1982, that the refinery is in reasonable condition and working order for a refinery of that age maintained in accordance with recognized industry standards.

The Government has agreed to purchase: All Esso West Indies physical assets, the estimated purchase price of which is US\$14m; materials and supplies, the estimated purchase price of which is US\$2M. Additionally the government has agreed to acquire the inventories of reconstituted crude petroleum and petroleum products in tankage, in process, in pipelines and in transit. The value of the inventories will be determined in accordance with formulae as set out in the memorandum of agreement and the exact amount will not be known until the transfer date.

However, the value could be US\$39m, as a top estimate.

The Government is satisfied that the level of inventory is reasonable and had this inventory not been acquired, government would have had to import equivalent levels of inventory so as to ensure that the country had a satisfactory stock level.

The purchase price of US\$14m, is considered very reasonable in comparison with the written down replacement value of US\$23m and a written down book value of US\$8m.

On the transfer date the government will make a downpayment equivalent to one-third of the total estimated purchase price for the assets, materials and supplies and the estimated value of the inventories.

Of this, US\$10M, will be paid in US dollars and the remainder in Jamaican currency.

The Jamaican dollar portion will be paid within three months at an interest rate of 12½% per annum.

The remaining two-thirds of the total estimated purchase price and estimated value will be payable over twelve months in United States dollars with net interest at 1% per annum over labour for six month deposits, at very advantageous rate.

In order to ensure a smooth transition following the transfer, Esso has offered to continue to manage and operate the refinery to the end of November at a monthly fee of J\$70,000 per month.

The government has agreed to take on all the local employees on substantially the same terms.

The refinery will be operated on strictly commercial terms, requiring no subsidy from the government, prices of petroleum products will not be increased unless the price of crude oil increases, which is a factor over which we have no control.

The plan is for the assets to be purchased and the inventories acquired by a wholly owned subsidiary of Petroleum Corporation of Jamaica.

The government through the Petroleum Corporation of Jamaica is currently discussing with its counterparts in Venezuela and Mexico areas of collaboration and support to the Jamaican refinery which have been readily offered by both countries and is currently exploring new options now available to us as a result of the acquisition.

In making the purchase the government was also mindful of the fact that it has arrangements for the supply of Nigerian oil which could be processed at the refinery, if desired, to improve the throughput of production.

In short, it can be said that there are more fruitful options open to government in the operation of the refinery than is the case at present because of willing support from various sources which now becomes available.

## BRIEFS

MINIHYDRO PROJECTS--Efforts are to be made to bring two minihydro projects in the Serge Island and Negro River areas of the island to completion in the near future. These projects formed the subject of discussion between the Minister of Public Utilities and Transport, the Hon. Pearnel Charles and the Canadian High Commissioner to Jamaica Mr. David Reece on Tuesday, September 14, at the Ministry in New Kingston. Mr. Reece, who assumed office on August 20, was paying a courtesy call on the Minister. He succeeds Mr. Terence Sheehan. According to a JIS release Mr. Reece told the Minister that the two projects to which the Canadian Government was giving some assistance were under way but he promised that efforts would be made to move as quickly as possible to complete them. He also said that he was willing to help in whatever way possible in this area. The Minister said that any help given would be appreciated as the country needed assistance to find solutions to the water problem. The High Commissioner was accompanied on the visit by Mr. Bob Pim, head of the Canadian International Development Agency (CIDA). [Text] [Kingston THE DAILY GLEANER in English 22 Sep 82 p 11]

CSO: 3298/012

## ANTIGUA LEADER URGES CAUTION IN STARTING CARIBBEAN BANK

Bridgetown ADVOCATE-NEWS in English 14 Sep 82 p 3

[Text]

ST JOHNS Antigua Monday (CANA) — Antigua and Barbuda's Deputy Prime Minister Lester Bird today urged the private sector in the region to be cautious in the move to establish a bank if this would lead to the downgrading of the Caribbean Development Bank (CDB).

He issued the warning in an address to senior business executives at a seminar sponsored jointly by the Caribbean Community (CARICOM) Secretariat and the Caribbean Association of Industry and Commerce (CAIC) at the Jolly Beach Hotel here.

Mr. Bird, who is also Minister of Economic Development, told the participants they could exert influence within their own enterprises and in their private sector organisation councils to encourage a more active participation with governments in addressing the economic difficulties faced by their countries.

"As an example," he said, "the idea is being promoted that the World Bank, which is a major source of concessionary finance to governments ought to be relegated to playing a supporting role to the private sector.

"Closer to home, it is also being suggested that the Caribbean Development Bank ought to be downgraded and the private sector promoted to a more prominent role. Indeed, the concept of a private sector bank to rival if

not replace the CDB is being actively advanced," Mr. Bird stated.

The CAIC's Executive Director, Pat Thompson, has announced that the organisation is studying the establishment of a private sector development bank to provide long-term financing for regional industry in order to complement the short and medium term lending of commercial banks.

But, Mr. Bird felt that the private sector should approach such proposals with caution, he stated that if the CDB was downgraded, governments would be unable to secure funding for infrastructural development, which is a pre-condition for the profitable investment of private capital.

"Indeed, to make the point even stronger," he said "how will it profit the private sector to gain a bank from which to draw investment funds if in the process they suffer the loss of agencies which provide governments with the financing to develop infrastructure necessary for investment?"

However, he believed that there was room in the Caribbean for a private sector bank, particularly if it is geared to lending for high-risk ventures.

"Governments in the region, I am sure, will have little difficulty in supporting efforts by indigenous Caribbean businessmen to establish such a bank, but we would have more than

reasonable concern if a precondition for such a bank must be the diminution of existing institutions which have served, and continue to serve, our national interests and economies," Mr. Bird said.

Mr. Bird said that it would be much more acceptable if the indigenous Caribbean private sector established a bank which they controlled and not one instructed by external agencies. He added, that such a Bank should complement the activities of the CDB in the private sector and not compete for its resources.

"If this movement to diminish the CDB or the World Bank in favour of the private sector succeed," he said "then Caribbean countries, including the private sector, will be the casualties of their own folly in not speaking out strongly against it, for at the end of the exercise, our countries will have no infrastructure and therefore, private sector projects will be unable to get off the ground."

CSO: 3298/013

## REVISED CARICOM 'RULES OF ORIGIN' DISCUSSED IN JAMAICA

Kingston the DAILY GLEANER in English 22 Sep 82 p 18

[Text]

Representatives of the CARICOM Secretariat visited Jamaica recently to discuss the forthcoming review of the CARICOM New Rules of Origin.

The CARICOM New Rules of Origin is a system of criteria for identifying goods as being produced or manufactured within the Caribbean Common Market. The system was implemented by the 12 member-states on June 1 last year, as part of the wider effort to deepen regional industrialization and promote vertically integrated production activities across the Common Market, a Jamaican Information Service release said.

The Secretariat representatives were Mr. Stanley Odle, Chief of the customs and Trade Policy section of the CARICOM Secretariat, and Mr. Earle Baccus, United Nations Development Programme (UNDP) Consultant.

They met with Govern-

ment officials and private sector representatives including the Private Sector Organization of Jamaica, the Jamaica Manufacturers Association, and the Jamaica Exporters Association.

Government officials whom they met included Mr. Thomas Stimpson, Director of Foreign Trade in the Ministry of Foreign Affairs; and Mrs. Beryl Nembhard, Director of Planning and Research in the Ministry of Industry and Commerce.

A team headed by Mr. A. Baccus, of Trinidad and Tobago, will carry out the review of the new Rules of Origin with a view to formulating proposals of adjustments in the origin qualifying conditions, to enable the origin criteria to further the identified interests of the Region.

The team comprises one representative each from the more developed CARICOM states, and one member for the Less Developed Countries.

CSO: 3298/013

## FONAVI PLANS HOUSING DEVELOPMENTS THROUGHOUT NATION

Buenos Aires CONVICCION in Spanish 3 Sep 82 p 12

[Text] The minister of social action stated to RADIO DEL PLATA that the possibility of modifying the controversial Law on Social Benefits is merely under study, "so there is no cause for alarm"; and after saying he would like to see the Banco Hipotecario "be again what it was," he announced that "From today, that institution will be making 4,000 housing development loans."

"As minister of social action, and following the president's directives," he then said, "we are limiting ourselves to hearing and seeking the views of those concerned with the health of the worker; that is, labor unions, employers and also the technicians and specialists in this field.

"When we have gathered the views of the greatest possible number of people," he added, "together with our own views, we shall have to put all of this before the president, and, very shortly thereafter, directives will be issued that will determine the future course of the Law on Professional Associations; that is, whether the same one will continue in effect, whether it is to be modified, or whether there will be another one."

He said that as of now "Nothing has been decided, and therefore there is no reason to be alarmed. We are trying to dialogue with the largest possible number of people interested in this issue, and soon thereafter we shall consider the courses of action to be followed."

Referring to the housing development plans, he said that "We are hopeful that things will improve more and more every day, because the government is acutely aware of the need to increase the construction of housing throughout the nation."

"And this," he added, "not only because Argentine families need a roof worthy of the name, but also because at this time, with some unemployment to deal with, it is very important to provide immediate jobs for people through housing construction."

With respect to Circular 1050, Navajas Artaza said that "Insofar as housing is concerned, Circular 1050 no longer exists. At this time, Circular 1050 does not affect future owners of housing."

Then, the minister of social action said that "The Banco Hipotecario has issued a resolution to promote the construction of individual housing throughout the nation."

"These credits," he indicated, "cover 75 to 90 percent of the price and are repayable in periods ranging between 15 and 25 years at interest rates of from 6 to 5 percent in the Patagonian and border zones."

Navajas Artaza added that "This is the first step toward making Banco Hipotecario once again the bank it was many years ago, and in this regard, we are also speeding up FONAVI [National Housing Fund] plans for the construction of housing developments nationwide through the provincial housing institutions."

Lastly, the minister of social action announced that "Beginning today, Banco Hipotecario Nacional has available 4,000 loans for the purchase of housing; these loans will be distributed throughout the nation."

Yesterday, Social Action Minister Adolfo Navajas Artaza announced the putting into operation of two new housing measures that will make possible the construction initially of 4,025 housing units nationwide at a cost of 1.5 billion pesos.

In a press conference, the minister said that two credit lines have been opened for specific and exclusive purposes: One for the construction, expansion, completion or renovation of individually owned housing, and the other for the same purposes to be extended to recent newlyweds.

The president of Banco Hipotecario Nacional, Mario Nosiglia, for his part, said he expected that "In the course of this month, all the funds available to the Undersecretariat for Urban Development and Housing, to cover all the budgetary credits assigned to it by the 1982 National Budget Law, will be used up."

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CSO: 3348/3



MINISTER NAVAJAS ARTAZA ANNOUNCES NEW SOCIAL BENEFITS LAW

Buenos Aires CLARIN in Spanish 30 Aug 82 pp 2-3

[Article by special correspondent Claudio Andrada]

[Text] Comodoro Rivadavia (From our special correspondent Claudio Andrada)  
--Minister of Social Action Adolfo Navajas Artaza came out in favor of a new social benefits law in place of the implementation of Law 22.269 which was sanctioned by the military government.

He said also that there exists the "firm determination" to avoid the diversion of social benefits funds to political or union activities, stressing that first priority must be accorded to the health of the workers.

In the view of Navajas Artazas, the aim is now to coordinate the interests of all concerned. And in this regard, he stated that shortly he will receive the representatives of the CGT [Union Headquarters]-Brazil.

He also indicated that talks will be held with officials of the Ministry of Labor and that the taking of office by the new minister of economy will not bring about any changes in the area of Social Action.

Statements

In statements made exclusively to CLARIN, Navajas Artaza pointed out that a new law must provide for coordinated intervention by the state, the workers and the employers, as well as for maintaining the INOS [National Institute for Social Works] in its role as hub of the activity.

Law 22.269, which has not been implemented as yet, was decreed to replace Law 18.610, which was promulgated in 1972. However, and despite its having been sanctioned 2 years ago, it could not be put into effect. As is known, the labor leaders are opposed to it because it precludes exclusive administration of the system by the unions and provides for tripartite participation.

Other opposition to it comes from the UIA [Argentine Industrial Union], which maintains that it grants the INOS discretionary powers.

In circles close to Social Action, it is being said that the minister would also like to see the current Law on Professional Associations modified. The same sources discount the probability that the treatment of these issues will produce any frictions in the military government.

Rumor has it that the Navy is totally opposed to a new social benefits law and that it would not look kindly upon a modification of the Law on Professional Associations. Both laws were approved advisedly by the Military Junta when it was the supreme governing body.

#### Objectives

Navajas Artaza said the objective now is to try to coordinate the interests and the convictions of all concerned, and he let it be understood that shortly he will dialogue "officially" with the leaders of the CGT-Brazil. "I am not a stranger to the problems inherent in that aspect," he said. "In my private activity I have worked actively on matters related to social benefits. I have maintained contacts and debated viewpoints with employers, workers, and government representatives. But it is important to understand that it is our firm determination that social benefit funds be devoted, as a matter of the highest priority, to health purposes and under no circumstances to political or union activities."

As to the law itself, the minister stated he is in favor of a new law and of centralizing the activity in the INOS, although he acknowledged that the opinion of the health services workers should be taken into account.

He also said that it is the government's intention to regularize the status of social benefits, as occurred recently in the case of insurance.

"We are determined to have all social benefits in place and operative before turning the government over to the constitutional authorities in 1984."

#### No Changes

According to some versions, Navajas Artaza's position coincided with that of Labor Minister Hector Villaveiran's when the economic and social council debated the wage issue. In this regard, the minister of social action said, "Although my position agreed with Villaveiran's, it should be noted that the decision finally adopted differs in no way from the one discussed with former Minister Jose Maria Dagnino Pastore. It is our view that the increases granted were reasonable and necessary. And that they will enable the workers and us in government to relax calmly for some time to come."

In reply to a question as to whether the Labor Ministry may be expected to have a say in matters concerning his own ministry, he said: "It is having a say. The economic and social council is working harmoniously."

## NEW TEACHERS' UNION SCORES EDUCATIONAL SECTOR POLICIES

Buenos Aires CLARIN in Spanish 4 Sep 82 p 6

[Text] With a statement couched in terms that are highly critical of the efforts of the educational authorities, a new teachers' union has emerged in this capital. An ADECAF [Federal Capital Teachers Association] Promotional Board, consisting of eight of the Association's leading members with no previous union background, stated that the Association "intends to represent all those who are engaged in teaching in the metropolitan sector."

To date, it has not declared any affiliation with either of the two core organizations of the teaching profession: The UDA [Argentine Teachers Union] and the CTERA [Confederation of Education Workers of the Argentine Republic].

Signed by ADECAF Secretary General Abel Martinez, the document cites the "disruption of the hierarchical structure of the profession, the unjust and restrictive tariff levied on private educational institutions, the high rate of desertions, and the ridiculously low budget." It also cites as current shortcomings within the educational sector "the shutting down of classrooms and schools, social benefits that are inadequate and without equity, the perpetuation of temporary and substitute teacher statuses, inadequate salaries, lack of practicality in secondary education, outdated study programs and--the most serious shortcoming of all--the nonexistence of an education law."

#### Objectives

The new organization's stated objectives include "Exercising the representation of our interests and our unjustly passed-over expectations, as well as eradication of the self-criticism through which we seek to make up for our shortcomings, and of the censorship being imposed upon us from the highest governmental levels."

Lastly, the document says that "To make of us their protagonists, we invite all members of the teaching profession, without exclusion of anyone or of any kind, to say to them that we have had enough of abject silence, of empty words and of actions that seek to 'alphabetize' our national education."

## Wariness

Interviewed, the brand new members of the Association indicated that "To revert to the known union representatives to resolve our problems would be to be caught up again in the perils of the old mistakes. Among these, they cite "the lack of a permanent tie to their bases, a definite political party orientation, an absolute lack of openness to their potential bases, and paralyzed activism."

The teaching profession's unionism is currently centered upon the UDA, which orients on Peronist sectors, and the CTERA, which is responsive to the socialist Alfredo Bravo, although it does not operate directly as a union, in that, it is a confederation, and which has the largest number of members owing to the number of union organizations comprising it.

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CSO: 3348/3

## BRIEFS

UNION SPLIT--The UTA [Motor Transport Workers Union] issued a statement yesterday saying it "ratifies the decision taken by the plenary of all the nation's sectionals and delegations of the federal capital and Greater Buenos Aires to withdraw from the Azopardo CGT [General Labor Confederation]." The document adds that "The UTA will not join any core union organization until such time as unity of a single CGT of the Argentine Republic is achieved." Meanwhile, it says, "We will strive without letup to achieve unity of the organized labor movement in a monolithic form within a single CGT, without attachment, and fully responsive to the interests and demands of the workers. We will also add our full support to any initiative in this respect, from whatever point in the nation it may come." [Text] [Buenos Aires LA PRENSA in Spanish 24 Sep 82 p 3] 9238

CSO: 3348/3

## VENEZUELAN ENVOY: BARBADIANS OVERLOOK TRADE POSSIBILITIES

Bridgetown ADVOCATE-NEWS in English 14 Sep 82 p 1

[Text]

A Venezuelan official said yesterday that Barbadian exporters were not trying hard enough to penetrate his country as a possible outlet for some of their manufactured commodities.

That country's Ambassador to Barbados Mr. Ivan Gabaldon made the disclosure as he looked at trade between the two countries, which is currently in Venezuela's favour because of its huge petroleum exports here.

Mr. Gabaldon said that transportation was a problem, but he noted that a fundamental one was the rules relating to exports to the Andean Common Market (ANCOM) of which Venezuela is a member.

However he explained that exporters here did not pursue other steps like studying the situation further "for getting specific products into Venezuela."

"We are importing from all over the world so why not from Barbados, and indeed the rest of the Caribbean," Mr. Gabaldon said.

In addition the Venezuelan Government official said his country had been trying to open a market in Caracas for local sugar, but this seems unlikely because of Barbados' commitment to supply sugar to the European Economic Community (EEC).

The Ambassador noted that demands back home were increasing over the capacity of the country's ability to meet them, and a current shortage there was being eased with imports from the Dominican Republic.

The Ambassador said that it was part of his country's desire to strengthen ties with all countries of the region since they were all developing and had shared similar experiences.

He regarded his country as belonging to the Caribbean, a region he added which was important to Venezuela.

Barbados and other Caribbean Community (CARICOM) countries have benefitted under Venezuela's international financial cooperation programme.

It is co-operating with Barbados in the field of fruit cultivation, through a fruit development fund, while it has donated radio-guidance equipment for the international Airport here.

There is also the creation of the Venezuelan-Barbadian cultural centre, which thus materialises the mechanisms of co-operation in educational matters, the Ambassador pointed out.

Between 1974 and last year 21 experts and consultants from Venezuela were attached to Barbados.

## EXPORTS FOR FIRST 6 MONTHS OF '82 RISE 5.9 PERCENT

Bridgetown ADVOCATE-NEWS in English 17 Sep 82 p 2

[Text]

Barbados exports for the past six months of the year, mainly raw sugar, garments and electronic goods rose by 5.9 per cent over last year's corresponding period, it was officially announced today.

The Government's Statistical Department reported that Barbados sold BDS\$171.5 million (BDS\$1 equal 50 cents US) in local goods overseas between January and June.

Domestic exports for the same period last year were worth BDS\$161.8 million.

Economists said clothing, electronic components and raw sugar from last year's crop were the main areas responsible for the growth in exports.

The Central Bank reported

that for the first three months of 1982 exports of electronic components were BDS\$11 million higher than for last year's corresponding period.

Total exports for January to June — including re-exports — were valued at BDS\$249.8 million compared with Bds-\$210.8 million for the same period in 1981.

The value of total imports for the January to June period of BDS\$552.8 million was 0.4 per cent more than last year's BDS\$550.4 million.

Barbados had a trade deficit of BDS\$760 million last year when imports rose to BDS\$1.1 billion and domestic exports totalled BDS\$297 million.

Barbados trade deficit for the January to June period this year is BDS\$303 million.

CSO: 3298/013

## BANKERS COOL TO ADAMS PLAN FOR 1 PERCENT CUT IN INTEREST RATES

Bridgetown THE NATION in English 15 Sep 82 p 1

[Article by Roy Morris]

[Text] **COMMERCIAL bankers in Barbados are not very optimistic about possible benefits from the one-percent reduction in interest rates announced by Prime Minister Tom Adams last Monday night.**

Adams said he intended to reduce the average and minimum lending rates by one percent each, and that this should make more money available for lending to industry and business.

He said too he would reduce the minimum deposit rate by one percent and by opening up the gap between the mortgage and minimum deposit rates he hoped to make funds available for mortgages.

However, yesterday the head of one of Barbados' leading commercial bank told **THE NATION** that there was simply "no magic tap which the Government could turn off or on to get money".

The manager said that in the long run it was possible for the move to have positive results, but in the meanwhile it would hurt his bank's profit and loss account.

The manager countered what the Prime Minister said with: "Of every \$100 deposited in the bank \$27 goes as liquidity requirements to the Central Bank. This leaves only \$73 for lending. If the

Government really wants to make money available for mortgages and other loans it should reduce the liquidity requirement to about 20 percent. When the Government last increased this requirement it took some \$64 million out of circulation."

Another commercial bank head also responded to the Prime Minister's announcement by saying: "We would all like the interest rates to come down, but I don't see how any large amount of money will be created. If you want to make more money available reduce the reserve requirement of the Central Bank."

The manager of another commercial bank with Canadian headquarters said that he could not rationalise what the one percent reduction in interest rates would mean in dollars and cents and how it would affect his bank, but added that he would first have to examine the move carefully before making any firm statement.

Acting area manager of Royal Bank of Canada, William Beckett, said yesterday that he did not really have a chance to look into the full ramifications of the move, and would have to wait until his bank had received official Central Bank notification before he could make a comment.

He said he would also have to talk with the various branch managers first.

Bruce Cammeron, of the Bank of Nova Scotia, was a little more optimistic than the other bank managers. He said that the one percent drop in interest rates would definitely have a significant impact.

Cammeron added that this would mean something significant to hotel operators, manufacturers and distributors.

CSO: 3298/013



## BRIEFS

U.S. ANTI-RUM MOVE--Deputy Prime Minister Mr. Bernard St. John said in the House of Assembly on Tuesday that Barbados' rum was being stifled on the American market because of protectionist policies by the U.S. Government. Mr. St. John who is also Trade Minister, said the protectionist measures being adopted by U. S. officials were to protect rum imports from Puerto Rico. He said Government had been stressing to the U.S. that if it wanted to do something proper for Barbados, it would allow for more favourable access to local rum to the U. S. by lowering customs duties. The Deputy Prime Minister spoke on a bill to repeal the Rum Duty Act. Mr. St. John said local rum was getting the exposure, adding that the European market was a satisfactory one. [Bridgetown ADVOCATE-NEWS in English 16 Sep 82 p 2]

CSO: 3298/013

## UNION LEADER RAPS PRESS OVER REPORTS OF SPLIT IN BIU

Hamilton THE ROYAL GAZETTE in English 15 Sep 82 pp 1, 15

[Text]

Bermuda Industrial Union president Mr. Ottiwell Simmons M.P. yesterday launched an attack on The Royal Gazette and Bermuda Sun newspapers for publishing stories received from Union sources and refusing to identify those sources to him. It was clear he was referring to an article printed by The Royal Gazette on August 30 which stated that the Union's hotel division had split with B.I.U. chiefs by rejecting a call to stop work during an upcoming court case brought against the union by the Hotel Employers of Bermuda.

The Royal Gazette reported that chief shop stewards at the Island's hotels had written to Mr. Simmons saying it would serve no purpose to stop work and sit-in at the Supreme Court during the civil action resulting from last year's sympathy strike by hotel workers. The eight chief shop stewards, representing all major hotels except the Hamilton Princess, also advised their chief that they would tell fellow workers to follow their lead.

Two days later, Mr. Simmons announced that everything had been cleared up at a meeting with the shop stewards and that they threw their support behind Union chiefs.

He has never denied receiving the letter which The Royal Gazette published in full.

The Royal Gazette obtained the contents of the letter from three sources within the union hierarchy. As with any other story, the identities of the sources were protected by the newspaper, despite several subsequent requests from Mr. Simmons to disclose the names of the leaks.

After meeting yesterday with the Hotel, Restaurant and Night Club Division, however, Mr. Simmons claimed that "some local media" had distorted facts in so far as the Union's reaction to the H.E.B. suit was concerned.

In a Press release he said: "The newspapers, The Royal Gazette and the Bermuda Sun in particular, have initiated their news headlines by accepting information from undisclosed sources, and in both cases the news-

papers have refused the Union's request to disclose their source of information.

"It is clear, however, that no full-time union official has given any news releases other than from the Union president, all of which is in order.

"We are therefore satisfied that some person, who is not one of the B.I.U. official elected officers, is maliciously giving wrong and misleading information to the local media and suggest that this behaviour is not helpful to the workers of Bermuda."

Mr. Simmons' comments were made after a "well-attended" Hotel, Restaurant and Night Club Division

meeting at Unity Hall during which, he said, members showed they were "fully behind any protest action which will be decided and is against the H.E.B. taking its frivolous and disruptive action against the B.I.U. membership."

The Royal Gazette counted less than one-hundred of the 1,200-strong members of the division as they left the meeting.

Mr. Simmons said in his release that he would announce the form the Union's protest will take at the time the H.E.B.'s case goes to court — expected in the next few weeks.

CSO: 3298/014

## PLP, UBP AT ODDS OVER HOUSING, DOCKYARD COMMUNITY POLICY

## PLP Proposal

Hamilton THE ROYAL GAZETTE in English 17 Sep 82 pp 1, 9

[Text]

The Opposition Progressive Labour Party yesterday unveiled its long-term solution to Bermuda's housing crisis — a brand new town at Ireland Island.

Mr. Walter Brangman, Shadow Minister of Housing, revealed his strategy for tackling the Island's housing shortage at a Press conference also attended by Mrs. Lois Browne Evans, P.L.P. Leader, and Mr. Gilbert Darrell, Shadow Minister of Planning.

The plan outlines a "major housing development" in the Dockyard-Ireland Island area, christened "New Community" yesterday by Mr. Brangman. He said it would entail revising the existing Dockyard Development Plan to allow maximum housing density.

Mr. Brangman said: "A solution should be sought which lends itself to the needs of the low-income group, while creating a dignified environment for all who take up residence in the New Community."

But his plan was labelled a "not-so-subtle attempt to make Sandys North a safe

P.L.P. seat" by Dr. the Hon. John Stubbs, Minister of Housing, last night.

And he said Mr. Brangman's call for predominantly low-income housing in the area showed an "appalling lack of imagination".

He also accused the P.L.P. of "cribbing" other aspects of the proposal straight from Government's scheme to develop the Dockyard area.

Mr. Brangman asserted at yesterday's Press conference that the largely Government-owned Ireland Island area represented the largest single land holding of the Bermuda people.

"This area recommends itself for a major housing development," he said. "This 'New Community' concept with housing, supermarkets, drug stores and industry would be sited over the entire area — Boaz Island, Ireland Island South and Ireland Island North."

He argued that Ireland Island residents had long requested a housing project there — a challenge he claimed Government had so far failed to meet — and he predicted that such a scheme would be welcomed by residents.

He said: "New Community would encourage senior

citizens to settle in the development at Ireland Island South. They would prove to be an enriching and valuable inclusion to a housing development of this magnitude."

Mr. Brangman said the present Dockyard plan, which included a shopping, commercial and industrial district for Ireland Island North, could be revised to include housing and amenities which would "recommend itself to executive and transient residents".

He said the project would seek to mix the area's inhabitants, thereby fostering a high sense of community.

"The practical undertaking of providing a roof over the heads of our citizens would not be done at the expense of their dignity and the well-being of the image of Bermuda," the Shadow Minister said.

He suggested that the private sector, which would play an important part in the scheme, could concentrate on accommodation for the middle-income bracket while the future P.L.P. Government supervising the transition of that part of Bermuda would cater for low-income families.

Mr. Brangman also suggested that a study might be carried out to look at alternative sites for neighbouring Casemates prison, as well as a fresh look at correctional practices there.

The Shadow Minister reasoned that an education-training programme would be needed to prepare Bermudians for the "broadest range of skills and professions".

"Because it is important that there not exist an immigration policy that continually exacerbates the housing problem which 'New Community' and other smaller developments of that model would be working to resolve," he said.

Earlier at yesterday's Press conference, P.L.P. Leader Mrs. Browne Evans

said Mr. Brangman had informed her that projected housing needs indicated thousands of households at risk and she urged Premier the Hon. John Swan to reconvene Parliament before its November 5 reassembly date to debate what she called "the grave nature of the current housing crisis".

Mrs. Browne Evans said: "The demand for units developed for rental by low-income families is much greater than the U.B.P. Government has apparently budgeted for and anticipated."

She worried whether Government's plans for short-term "prefab" homes to help tackle the housing crisis — a measure, incidentally, which Mr. Brangman has approved — might eventually do a turnabout like the Devon Springs apartment complex and end up being exclusively for sale.

She also ruled out any bipartisan approach to the housing problem as a denial of the Westminster traditions of a vigilant and searching opposition.

Last night Dr. Stubbs said Government did not have a monopoly on good ideas but he questioned the motives behind Mr. Brangman's proposal, comparing it to the vote-catching strategies of various Labour-controlled authorities in Britain and their promises of council housing.

"Anyone who has followed local politics in Britain over the past 30 years would recognise it. It is a P.L.P. attempt to develop Sandys North as a safe P.L.P. seat," Dr. Stubbs said.

He said Dockyard and the Ireland Island area had great potential for development, particularly as most of the land there was Government-owned, but he thought Mr. Brangman's preoccupation with low-rental accommodation there displayed an appalling lack of imagination.

Hamilton THE ROYAL GAZETTE in English 18 Sep 82 pp 1, 3

[Text]

The Progressive Labour Party was accused yesterday of turning "about-face" on development at Dockyard and of lifting ideas from proposals already put forward by Government.

Mr. Edgar Wilkinson, deputy chairman of the United Bermuda Party, fired the charges in a stinging reply to the P.L.P.'s "New Community" plan for Dockyard which was unveiled on Thursday.

The "New Community" approach was outlined by the Shadow Minister of Housing Mr. Walter Brangman who called for the involvement of both public and private sectors in creating a major housing, commercial and industrial "new town" in Dockyard.

His proposals were given short shrift by Mr. Wilkinson. "The P.L.P. has proven, once again, that talk is very cheap," Mr. Wilkinson retorted. "The U.B.P. thanks Mr. Brangman for his new-found support of the Dockyard Development Plan."

"We should point out that the P.L.P. voted against the bill in Parliament on June 25, 1982. Now Mr. Brangman embraces the plan and calls it his idea."

"This is an affront to the truth. The P.L.P. has lifted the idea from the U.B.P."

Mr. Wilkinson pointed out that Deputy Opposition Leader Mr. Frederick Wade has "specifically rejected the involvement of the private

sector in the development of Dockyard".

And the P.L.P. M.P. for Sandys North, Mr. Eugene Cox, had branded Government's development ideas an excuse to get shops and businesses into the area to reap more revenue for Government.

"Yesterday they called for the involvement of the private sector — a direct about-face," continued Mr. Wilkinson.

He also went on to attack Opposition Leader Mrs. Lois Browne Evans' call for the reconvening of Parliament to discuss the housing crisis. The call was "an emphatic demonstration of the P.L.P.'s attitude towards the housing problem".

He said: "They have objected to every Government initiative. They have mounted every bandwagon with unnatural haste. Instead of providing support they have objected to every proposal."

"The U.B.P. is determined to act; Mrs. Browne Evans only wants to talk and object. While Government will have homes for people by Christmas 1982, Mrs. Browne Evans wants more discussion to delay action."

The P.L.P. proposals were "conclusive proof" that the party is devoid of new ideas and has "no clear plan to present on the housing issue" Mr. Wilkinson's broadside concluded.

## BRIEFS

UNION ELECTION--Mr. Kenneth Pilgrim has been re-elected president of the hotel division of the Bermuda Industrial Union. Mr. Pilgrim was selected at the hotel division meeting on Tuesday when the rest of the executive were also chosen. They are vice-president, Yvonne Broadbelt; secretary Carolyn Franklin and assistant secretary Bennett Pitcher. The division, which includes restaurant and night-club staff as well as hotel workers, numbers some 1,200 members. It was estimated that there were some 100 people at Tuesday's meeting. [Hamilton THE ROYAL GAZETTE in English 18 Sep 82 p 2]

SUPERMARKET PAY RAISE--Unionised supermarket employees have won wage increases of about 15 percent following three months of negotiations between the Bermuda Industrial Union and the employers. The Royal Gazette understands. Yesterday, union chief Mr. Ottiwell Simmons and spokesmen for three of the four supermarkets involved declined to confirm or deny a settlement had been reached. The fourth could not be reached. But Mr. Simmons said that a joint union-employers statement will be released "whenever there is an agreement" and it seems likely that an announcement will be made within the next week or so. The supermarkets involved in the negotiations were the A-1 Ltd., and the Market Place chains, Supermart and the Shopping Centre. The Coop, whose employees are also unionised was not involved in the talks. It is understood that the 15 percent increases awarded to supermarket employees will bring their weekly salaries to more than \$200. The settlement was reached after three months' of negotiations before supermarket employees' contracts had expired. [Hamilton THE ROYAL GAZETTE in English 11 Sep 82 p 1]

CSO: 3298/014

## CONSTRUCTION WORKER ACTIVITIES IN NICARAGUA NOTED

Havana GRANMA in Spanish 11 Sep 82 pp 4-5

[Article by Susana Lee]

[Text] Rio Negro, Chinandega--The site is very hot and there is an abundance of rain, especially in September and October--in addition to May and June; the 40 Cuban internationalists of the bridge-construction sector dispatched here are well aware of this; that is why they have been working without stopping ever since their arrival. They must carry out their assigned mission to build a bridge over the Negro River in the shortest possible time, and, to do this, they must take advantage of the weather so that, when the rain comes, it will not be an obstacle.

First, they built a dam to divert the river to enable them to work; then they drained the water from the river bed, carried out the necessary excavation and laid the foundation.

"It was said here, when we arrived, that the bridge could not be built in the specified time...The days passed, and now they are saying, "'When the Cubans arrived, the water went away.' We are hoping that the rain will continue to hold off to see if we can finish the bridge in October...The worker morale is very high, for we came here with a mission which we must not fail to carry out," said Manolo Perez, of the ECOI [Internationalist Construction Projects Enterprise] No 10, of Sancti Spiritus.

The site is located in Region 2 (in the North Pacific territory); it encompasses the former departments of Leon and Chinandega in accordance with the recent decree regionalizing the country, which divided Nicaragua into six regions and three special zones. It is situated at about 200 km northwest of Managua, 2 km from Somotillo, the nearest community, and 10 km from the Guasaule River, whose bridge--destroyed a short time ago by the May floods--was one of the bridges officially dividing Nicaragua from Honduras.

"This is one of the nine bridges on which we shall work in this region," said Ruben del Pino, head of the bridge-construction sector of the Celia Sanchez Manduley Internationalist Construction Contingent. "Of the nine, one will be a reconstruction inasmuch as the floods took away only a part of the flooring; this is the Hato Grande, 65 meters [long]; one, of 60 meters, will be new; we



have named this the Rio Negro 2 inasmuch as it will be a continuation of one already existing; and the others are the San Jose, 80 meters; the Guarumo, 60; the Viejo, 80; the Tonala, 40; Los Millonarios, 60; and a little one, in Chinandega, which is called the 9 meter bridge or La Alcantarilla, which is already completed."

The bridge-construction sector will have 202 men.

Moreover, its equipment includes two backhoes, two bulldozers, five motorized pumps, one compressor, two load-carrying trucks and two cement mixers. Most of its members are from Villa Clara and Cienfuegos, although there are some who come from Matanzas and Havana. It can be said that they are experienced bridge builders (in Cuba they do this type of work on major highways and the central railroad), and some of them even have internationalist experience, having participated in the construction of 36 bridges in Angola.

Del Pino is 48 years old; he has spent 30 of those years in construction, 12 or 13 being in the construction of bridges. He spent 2 years in Angola--1977 and 1978--directing the crew responsible for the 36 bridges. His responsibility in Cuba is that of technical chief of the bridge and prefabrication construction sector of the ECOI No 10 of Viales, in Villa Clara. He was working on the Santa Clara-Punta de Diamante highway section when he was assigned this new internationalist mission. He arrived in Nicaragua on 16 June and was then gradually joined by members of three teams of the ECOI Nos 10 and 11 of the same Villa Clara Province and by backup personnel from other areas.

"Naturally, the engineers and soil specialists came here first, headed by Engineers Carlos Sanchez and Oscar Garcia. The group was made up of three engineers, two soil specialists, two medium-level design engineers and two Nicaraguan engineers who worked with them. At present, most of the drawings are completed," Del Pino said.

The bridge-construction group is divided into three construction teams and three support teams: one for hauling, another for maintenance and the third for transportation.

If you, dear reader, could visit their work areas and camps, you would always find the same will to achieve, which, in these lands and climatic conditions, means working at times 15 or 16 hours without interruption to complete the job before the onset of rain.

Therefore, it is not rare to find cases like that of Roberto Cardenas of Villa Clara, an outstanding equipment operator, who actually "lives" the project, always ready to carry out his part of the job and much more, or that of Orlando Monzon, a mechanic from Cienfuegos, who does not rest when he sees a machine shut down until he has it back in operation...or of many others who, as Del Pino says, "would have to be mentioned one by one."

The work schedule goes by stages: one is moving the earth (which is handled by the group in charge of this work); another is the excavation; then comes

the pouring of the concrete for the supports; then the mounting of the headers, beams and slabs for the flooring; and, finally, the completion with the concrete in place (foundation completed)... According to the forecast, the last stage is to be completed approximately by April.

"We shall meet that schedule, I can assure you," Rolando Ruiz told us. "In any big project there are difficulties, but we shall take care of them along the way."

"The group came with the mission to build bridges, and we shall do so... They can tell that to the commander in chief on our behalf," Victor Manuel Portuando said.

We left Rio Negro with the assurance that, if you wish, there is an additional reward for this group of white-helmeted Cuban internationalists: the bridge over this river was not destroyed by the May floods but, rather, by a gang of counterrevolutionaries who, coming from Honduras, dynamited it in March.

A beautiful symbol of solidarity! As stated recently by Dr Sergio Ramirez, member of Nicaragua's Government Junta for National Reconstruction [JGRN], for each military aggression perpetrated by imperialism, Cuba has sent an internationalist doctor, a road builder, a builder of bridges... "For each threat we have received from imperialism, Cuba has always displayed a gesture of solidarity."

#### Celia Sanchez Manduley Internationalist Contingent (I)

It could be said that they had just concluded their first big project in Nicaraguan territory: the Tuma-Waslala-Siuna highway. Two years, March 1980 to April 1982; 210 km between forests and mountains whose objective was to unite the coasts of the Atlantic and Pacific. An average of 180 men in two road crews. A total of 2,361,000 cubic meters of earth moved; 1,370 linear meters of pipe in plant construction; more than 10 million pesos in value. Months and months of uninterrupted work, winning out over the rain through long work marathons; work schedules in which day blended into night, sometimes illuminated by the lights of the trucks and other equipment themselves. To the point of concluding and completing the commitment made to Fidel...

Managua--"The earth-moving crew was already on the site; we were preparing to begin working on the new highway which will unite Monkey Point, south of Bluefields on the Atlantic coast, with La Gateada, 163 km; one part of the crew was responsible for the equipment, its maintenance and repair; the other, as a vanguard unit, was proceeding to set up temporary facilities when the floods came at the end of May," said Rolando Marin, head of the contingent's mechanization sector.

The city of Leon was isolated. The heavy rains caused the rivers to rise. The Izapa and La Leona bridges lost their access areas (the area between the embankment and the bridge itself); the city was about 16 km from the bridges. One of the earth-moving crews was sent to the site; the crew worked very

hard. First, there was a paved trench across the road which made it possible in 15 hours to reestablish communications temporarily; in 72 hours, both bridges were again accessible. Communication was established between Leon and Managua. The group continued on the access section of the other three bridges in the city, and similar work was performed in Chinandega. There were 12 altogether.

"After the visit of a high-level delegation headed by Army Gen Raul Castro, Cuba's aid to the Nicaraguan people was determined on the basis of the heavy losses Nicaragua suffered from the floods," Marin explained. "This includes the construction of 9 bridges, the donation and construction of 5 housing-unit plants of the Sandino type, and the building of 3 primary schools of 10 grades each."

Toward the middle of June, the contingent began to increase in number with the arrival of two new crews: the bridge crew and the architectural-project crew (factories for making housing components and school components)... By the end of August, the number of participants in the construction sphere increased to more than 770.

#### Earth-Moving Group Prepares Road

The earth-moving groups--three brigades, 340 men--prepared the road for the bridge and housing groups. Manuel Pardo Guerra, its chief, told us that from Siuna, almost without stopping, they went to Leon to reestablish road communication. Afterwards to Chinandega, divided into various groups per project.

"They are accustomed to hard work; they get up at 0430 hours inasmuch as dawn breaks early in this area; they begin at 0500 hours and work until 1700 or 1800 hours. Little remains for Chinandega, but one of the crews will remain to look after the bridges; the other two will soon leave for New Guinea to set up camp and other facilities which will make it possible for them to begin work immediately on the Monkey Point-La Gateada highway."

Here again, the will to achieve is obvious. Anyone can explain this in a few simple words. But we do not have just words. We also have deeds. Excessive accomplishment of established schedules, of productivity... month after month. It is said, and the figures show this to be true, that the average performance, as shown by the principal production indicators, are higher than in Cuba. It is as though each one would like for the prestige of the Cuban internationalist constructor to be engraved in each project, cast in the concrete of each column, each beam, each structural member...

"I am finishing up in February of next year," Jesus Mateo, bulldozer operator of the ECOA [Architectural Projects Construction Enterprise] 28, of Jovellanos, told us. "I was hurt while working on the Waslala-Siuna section; but if I am needed, I have the time necessary to get back to work... I am proud to have been chosen for this mission... It has given me great experience... One feels useful, continuously sees the fruits of his work and is happy to contribute to a country which has gone through the same hardships as ours. I have a son named Alexei; he is 7 years old; he writes to me and

tells me about his studies; he is in the second grade; he tells me that, when he is big, he wants to be just like me, an internationalist..."

#### Celia Sanchez Manduley Internationalist Contingent (II)

Monolo Gutierrez is the secretary of the contingent's union office; there are four union sections. His work is centered around carrying out the plan, emulation, voluntary work, attention to the human being. The most outstanding individuals are chosen for each phase. He cites the voluntary work of the constructors as an example of the spirit being displayed. "In the first 6 months of this year 131,876 hours were contributed, valued at almost 1 million pesos. Fulfilling one's commitment here implies maintaining the contingent's reputation on a high level, and that is the determination of each of its members."

Chinandega, Leon--The housing-component plant in El Viejo is the most advanced of the five. This is because it was the first to get started; two of the crews were concentrated here: the one to remain here permanently, made up of construction people from Camaguey, and the other eventually to work at the Esteli plant, coming from Cienfuegos.

There are a few difficulties with materials which have not yet arrived from Cuba, but they will not be long in coming; meanwhile, the work schedule is being kept in other phases ("problems are being solved along the way").

The Leon plant is in an advanced stage of construction. Each crew is composed of 40 men, and they are assisted by a group of youths from the 19 July Sandinist Youth organization who are training to take over the future operation of the plants.

"Each plant will have an annual production capacity of 600 housing units and will also produce components for the three schools included in the program. When the plants are completed, the men will take over the construction of the schools," said Omar Perez, head of the architectural projects group.

The Leon plant is being built by construction workers from Guantanamo; the Managua plant by a crew from Villa Clara; and the Granada plant by a crew from Gramma. The schools, with 10 grades each, will be built in El Viejo, Corinto and Leon.

The group as a whole is made up of 202 men some of whom devote extra effort to make up for any lack of qualification on the part of certain members which may cause problems.

"The job will be completed in the time and manner specified, with the quality deserved by the Nicaraguan people," said Marcelino Soria of the Leon crew.

Everyone wants to finish as soon as possible, "for they will then be able to build houses rapidly"; therefore, they are concerned about any delay which may occur if the materials are not delivered on time. That is their main concern.

We are not the only ones to call attention to their attitude. Engineer Indiana Moreno, technical director of the Chinandega plant representing Nicaragua, expresses that recognition in a few words:

"They work hard; they have no set hours or days; even on Sunday they are often hard at work... they are surely an example. The people are amazed at how they work. I would like to continue to work with the Cubans; one always learns from them, in work methods, in organization... They truly set an example."

#### They Have Already Completed Their Plan for the Year

Managua--We have said that figures are the facts which support words. Marin and Engineer Reynaldo Lopez of the contingent's technical directorate gave us some figures:

The plan for the year, as originally conceived, amounted to 3,174,000 pesos; computations for the period through 31 July give 5,570,900 pesos or 175 percent of what was planned up to that date and 133 percent of the program for the year. That performance occurred both in the movement of earth and in plant operations, in all areas of endeavor. Naturally, from June on, with the addition of projects, men and equipment, the plan will be increased.

One more figure: in accumulated productivity up to this date, the plan called for 14,702 pesos per worker, but in real terms the figure rose to 22,941, or 56 percent over the forecast.

"Here there are no hours, for the weather factor, the rain, can be very much against us. This is always true with road-building; now the same occurs with bridge construction. That is why the construction people do all the things they do: shifts and marathon work schedules involving many continuous hours, for they have learned that this is the only way to win out. When the rain makes it necessary to stop construction, they devote their time to the machinery, to maintenance, and to regain their strength for when the weather improves," Marin told us.

Another, not less important, aspect was included in the efforts of the Cuban construction people--it was present in the Tuma-Waslala-Siuna highway, it is now present in the housing-component plants and it will be present in the Monkey point-New Guinea highway--namely, the training of Nicaraguan personnel, drivers, mechanics, equipment operators. These are members of the Sandinist Youth organization who were trained in those occupations, working side by side with the Cubans.

During our visit to the contingent, we managed also to meet with Companeras Susana Rieumont and Hilda Davis of Commander in Chief Fidel Castro's coordination and support team. They conveyed the greetings and recognition of the head of the revolution to the construction people for the good work they are doing. They expressed interest concerning the construction people's work, their way of life, the frequency with which they hear from their families and, vice versa, their concerns.

There was much conversation, but the most important message was that received at every site visited:

"Tell the commander in chief that we shall fulfill the assigned mission; that we shall not let him down."

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## SUBMARINE TRAINING ACTIVITIES DESCRIBED

Havana VERDE OLIVO in Spanish 2 Sep 82, No 35, pp 30-33

[Article by Mario Rodriguez: "Sentinels of the Deep"]

[Text] Next to the dock, everything was activity. Only a few hours earlier the submarine arrived at the permanent base after carrying out an important training mission.

Without question, this was a happy moment for the submarine crew who, defying the depths, remained in constant combat readiness to defend our territorial sea.

During the brief contact with these men, love for the profession in spite of the risks and deprivations that it implies as well as pride in being a crew member of these modern submarines stood out.

Of course, after the cruise it is necessary to do serious, meticulous work to guarantee the maintenance and technical condition of the ship for the fulfillment of new missions.

How many days will it remain in port? That cannot be predicted. Perhaps there is not much time for rest and, before expected, a new order will be received.

Once more the shiny hull of the ship will slip through the surface and, after submersion, take the assigned route.

As always, the commander will give orders to occupy the maneuvering posts, lift the ropes and the powerful engines will make it move away from the dock.

After a number of operations requiring great precision are carried out, the submarine will again be ready to descend to the depths.

The commander will report as usual that the upper hatchway is closed and seconds later the submersion will begin until the depth indicator signals the correct level.

From then on, the activity on board will be duplicated. The crew must very attentively follow the indicators of each piece of equipment and mechanism

and predict how the parameters of each one will influence the ship's position in the world of the deep.

Each section and compartment works as a single man since the vitality of the ship depends on this.

From now on, sunrises and sunsets will only be a memory. The hidden nature of submarines requires this.

There must be iron discipline, combined with a high political and ideological level. In reality, it can be no other way for such a complex technology used under truly difficult conditions.

At the dock, everything followed its normal course. Inside and outside the ship, the submarine crew worked carefully on maintenance tasks because, as they themselves stated, the technology must be in optimum condition for the fulfillment of each mission.

Perhaps the feeling of each one could be summarized in the words of the alternate for political work:

"Our submarine units are always ready to fulfill any mission entrusted to them in the defense of our socialist fatherland.

"For that reason, we train day after day to make this technology more effective."

I Am a Torpedo Man

We found S1C Manuel Gradaille Martin in the torpedo compartment involved in the duties of his combat post. The dialogue was bright and spontaneous.

"Much work?"

"A bit, you know. This is one of the basic divisions of the ship."

"What does it mean to you to be a submarine crewman?"

"First it involves pride since I know that I am on the front line of combat. Also to be picked for this type of unit which demands a number of requirements is a sign of confidence in my work. For that reason, I feel doubly satisfied.

"Of course, it is necessary to love the maritime life in order to be a submarine crewman. You must also have a good dose of determination, the required physical conditions and an elevated sense of collective work."

"Apart from these, what other qualities must a submarine crewman have?"

"I believe there are two basic qualities: first, strength of will at all times; and, second, a high spirit of sacrifice. Otherwise, it is impossible to confront the truly difficult conditions during navigation."



During the countless cruises that he had already been on on this modern submarine, Gradaille not only learned to be more efficient at his combat post but also acquired very valuable experiences.

Perhaps one of the most important was his sense of collective work and the camaraderie that are so necessary, especially in this type of unit.

He indicated: "For me, work on the submarine has been a great lesson in all senses. It has helped me personally be much more organized and make discipline a more than necessary element in my formation."

Moments after saying goodbye to the young seaman first-class, we went to the upper hatchway after climbing through a narrow tube to the main command post.

Once again on the dock, we observed the tireless activity of the crew giving the final touches to the maintenance work.

At the end of this brief visit, at least for us, there were no more doubts that the submarine crew, like the rest of the members of our veteran Revolutionary Navy, was ready to give the aggressor a well-aimed blow with all its precision and boldness.

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## REPORTAGE ON RESERVE OFFICER TRAINING ACTIVITIES

Havana VERDE OLIVO in Spanish 2 Sep 82, No 35, pp 24-25

[Article by Lesmes la Rosa: "Classrooms in the Field"]

[Text] At the end of 1983, Lazaro Herrera Torriente will be an industrial engineer and also a reserve officer. Not long ago, he was flooded with congratulations from his fellow students and relatives; he had achieved satisfactory academic results at the University Center of Matanzas.

Very few days passed, maybe only hours. The youth hung his gray pants and pullover on a hanger and put his shoes away in order to don his olive drab uniform and field boots.

Future economists Moises Velunza and Martin Hernandez and many other youths would do the same thing since they would heed the call of the Concentrated Studies in the Troops. The university would be exchanged for the field. The students would be there mastering military art, probing the secrets of the armaments and technology and learning to fight and lead combat. They already know the principles, essence and characteristics.

The field would become a measuring stick since it shows how much has been assimilated in the military classes taught at their educational centers.

Still Dew

When we arrived at the area, everything led us to believe that the student-soldiers woke up the bugler. The dew was still on the grass, clear and crystalline. Seconds earlier, we heard a voice: "Prepare for combat!" Showing the mastery and coordination acquired, the youths had the weapons ready for combat.

Capt Modesto Medina Medina, professor of fire service and tactics, toured the emplacements to correct little details and also to give encouragement to the teams that had performed best. He gave a short summary on that part of the class:

"In general, you were good. You are meeting the time norm but, with a little more effort, you can reduce it. We are going to do it again. Prepare for combat!"

The actions were repeated. The combat atmosphere makes it assumed that all the objectives will be fulfilled because the training of these future reserve cadres emphasizes field training. The principles of instruction are strictly observed.

There is also emphasis on teaching them all they need to win in contemporary combat.

Repetition of the exercise showed that combat readiness increased. The day was hard since, through practice which included different movements and surprises, the students learn the basic elements of the work of the ordnance chief during offensive combat actions.

They well remember that the offense is very important in the defeat of enemy naval and air landings. The artillery, with its firepower, destroys and neutralizes them in addition to uninterruptedly supporting the infantry and tank units in their attacks into the depths of the enemy defense.

The sun started to dry the ground. After a short break, the students began with renewed energy to learn the work order of the ordnance chief after receiving the mission, elaboration of documents and fire preparation.

#### Talking About Them

While carefully watching the development of the students in handling the goniometer, Captain Medina Medina talked to us about his students:

"They come from the universities in Matanzas and Santa Clara. They are very valuable comrades. They have a good cultural level which is an advantage because of the complexity that armaments are acquiring. They have great determination and an immense desire to learn. At times I have the impression that I am working with veteran soldiers. They love the weapons and participate in the classes."

We asked: "That last is a principle of instruction. How is it shown here?"

"It is always noted if the students are aware of the tasks presented and try to fulfill them on time. As I said, they take an active part in the classes and exercises with initiative. Everything that we teach them, whether theoretical or practical, they analyze in depth. On the field, it can be seen how they apply the habits and abilities. Another very important thing: they critically examine the results of their work."

"How has that been achieved?"

"Basically through the methodological preparation of the teachers. We emphasize that the instruction process arouse the interest of the students, love for military matters and the desire to improve themselves."

The teacher paused. He looked at his watch and gave an order that the acting ordnance chiefs repeated: "Prepare for march!" Immediately the optical

instruments and ammunition were collected. The guns were closed up and covered. The trucks maneuvered and soon left with the war materiel for new fire positions to continue the instruction of the university youths. Medina gave a little smile. Perhaps he was recalling his years as a cadet at the Com Camilo Cienfuegos FAR Artillery School.

### Three Vanguard Next to the Gun

The weapons were in new emplacements. Another study question would be learned: actions during fulfillment of firing tasks. While some students worked, others observed and then they changed places. We asked for the vanguards. We were quickly told that they were Lazaro, Moises and Martin. We waited for the next break to hold a short interview next to their gun. We listened to their impressions.

Martin Hernandez avoided talking about his position as vanguard. He preferred referring to the collective. The others imitated him.

He stated: "Although it is often repeated, it will never be said enough--it is an honor to be here. It is necessary to earn it! It is a requirement to pass all the courses. The concentrated study is going well. The teachers work to teach us and are demanding of us and we must respond. These days are very profitable. Next year after we graduate, we will complete our military training since we will be with the troops for several months."

Moises Velunza expanded the idea:

"Not only will we be with the units for those months but all the time necessary. At the university, 100 percent of the students reaffirmed their willingness to serve in the FAR permanently. Passage through this activity helps forge our character and helps us mature and have a greater sense of responsibility.

"We pay complete attention every minute of class, political activities, etc. We will have many experiences to tell our comrades in the lower grades."

Lazaro Herrera indicated: "They have not left much for me but I can say that you love the guns like books in a classroom. At the university, they try to make us skilled specialists; the FAR trains us to be good soldiers with a high political and military level. This means that the fatherland can expect us to be better communists."

### Why Do Concentrated Studies Go Well?

Everyone agreed that this concentrated study in the troops was going well. Lt Col John Fajardo del Toro had the explanation, in his opinion:

"Until now, an average qualification of 4.5 points has been achieved. There are other qualitative aspects like the high political and moral level of the students, the genuine enthusiasm that they put into each task and the discipline they observe. Also 55.3 percent of the student body belongs to the UJC [Union of Young Communists] which has a positive influence.

"In addition to artillery--land and antiaircraft--two other specialties are taught: communications and chemical defense. The daily schedule includes 6 to 8 hours of eminently practical schooling. Time is planned for training and for maintenance of the technology. There has been efficient preparation by the teachers and good technical and material support which guarantees fulfillment of all the objectives proposed."

On the field, the youths assimilated the latest study question about actions during transfer to new fire positions. The column was organized and the truck with the weapons and the men left for camp. New tasks approached. At night, there would be an opportunity to enjoy cultural and recreational activities. On the truck they talked about the socialist emulation and the historic places visited like El Morrillo and the Museum of the Revolution.

In short, a day filled with important learning came to an end. The next day would bring greater tasks since the students would master the peculiarities of nighttime combat actions.

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## JUCEPLAN HEAD DISCUSSES ECONOMIC DEVELOPMENT

Havana CUBA SOCIALISTA in Spanish Jun 82, No 3, pp 3-42

[Article by Humberto Perez Gonzalez, alternate member of the Politburo of the Central Committee of the Communist Party of Cuba, vice president of the Council of Ministers and minister-president of the Central Planning Board; passages enclosed in slantlines printed in italics]

[Text] Introduction

The main report presented to the First PCC [Communist Party of Cuba] Congress by comrade Fidel Castro explained that the Programmatic Platform is the most important document approved by the First PCC Congress. It said: "From now on, it must be the governing document for all the work of the party and the revolution on whose principles and postulates all policies followed in the different activities of our people, domestically as well as internationally, must be based. The specific plans of the different institutions of the country must be subordinate to and adapted to its objectives and tasks."\*

The Programmatic Platform approved at the First PCC Congress and ratified at the Second PCC Congress is the main ideological instrument and battle flag of party work and all the activities of the revolution.

In this article written for CUBA SOCIALISTA, we will try to summarize what has been done and what is being done to meet its objectives in Chapter VI: economic policy--creation of the material and technical base of socialism. The order of the explanation of these tasks corresponds more or less to the Programmatic Platform.

#### Industrialization

The Programmatic Platform indicates that industrialization of the country is the main task of the national economic development plans beginning in the 5-year period 1976-80. Based on this premise, industrial objectives were drawn up and incorporated in the plans. Establishing the bases for development, they permitted replacement of imports and increased exports and the standard of living of the people. While industrial investments during the

\*Main Report, First PCC Congress, published by the Revolutionary Orientation Department of the Central Committee of the PCC, Havana, 1975, p 214.

5-year period 1971-75 represented 20 percent of the total investments, they increased to 35 percent in the 5-year period 1976-80. For the present 5-year period 1981-85, they total 37 percent. This reflects the efforts made for industrialization.

Since the industrial plants--especially the basic ones and larger ones--normally require a long period of maturation, the effects are not visible during the first years. However, production of the industrial sector as a whole grew at an average rate of 5.4 percent per year in the period 1976-81. In 1980-81 growth reached 13.5 percent.

In these 6 years, the production of the electrical energy and construction of nonelectrical machinery sectors more than doubled; production of the former increased 121 percent and the latter 111 percent. Other industrial branches had important increases: mining and nonferrous metallurgy, 56 percent; metallic products, 46 percent; graphics, 53 percent; manufactured products, 74 percent; beverages and tobacco, 95 percent; fishing, 73 percent; and paper and cellulose, 42 percent.

In the 5-year plan 1981-85, industrial production should grow at an average annual rate of more than 6 percent. Preferential growth will go to the following sectors: electrotechnical and electronic, textile, glass and ceramics, paper and cellulose, mining and ferrous and nonferrous metallurgy and construction of nonelectrical machinery.

During the 5-year period 1976-80, many important industrial plants were completed. They included:

Thermoelectric generating units in Mariel, Cienfuegos, Santiago de Cuba and Camaguey;

Lubricant mixture plant in Santiago de Cuba;

Storage battery plant in Manzanillo;

Irrigation parts complexes in Cienfuegos and Manzanillo;

Wheel factory in Havana City;

Stainless steel plant in Havana City;

Cement plants in Mariel and Cienfuegos;

Concrete pipe complexes in Villa Clara, Holguin and Camaguey;

Asbestos cement complex in Artemisa;

Wheat mill in Regla;

Citrus complex in Isle of Youth;

Glucose plant in Cienfuegos;

Cane combine factory;  
Sugar mills in Pinar del Rio and Camaguey;  
Seven torula yeast factories;  
Casablanca shipyard (fifth stage);  
Bulk sugar terminals in Granma and Las Tunas;  
Bagasse board factory in Havana;  
Three poultry slaughterhouses;  
Textile complex in Villa Clara;  
Modernization of the textile factory in Matanzas; and  
Corrugated steel plant in Havana City.

In the 5-year plan 1981-85, completion of the following, among other important industrial plants, is planned:

Thermoelectric generating units;  
Processing and regenerating plant for lubricants, fats and oils in Santiago de Cuba;  
Rehabilitation of the nickel plants in Nicaro and Moa;  
Nickel plant in Punta Gorda;  
Nico Lopez refinery (expansion and reconstruction);  
Hermanos Diaz refinery (expansion and reconstruction);  
Nickel mechanical complex in Moa;  
Bottle factory in Las Tunas;  
Uruguay paper complex;  
Expansion of Antillana de Acero (second stage);  
Agricultural tool factory;  
Expansion of mechanical plant;  
Engine repair factory;  
Semiconductor factory in Pinar del Rio;



Radio and television factory in Santiago de las Vegas;

Metallic structures plant in Las Tunas;

Expansion of the wire plant in Camaguey;

Sugar mills;

Boiler factory;

Weaving complex in Havana City;

Textile complex in Santiago de Cuba;

Citrus complex in Ciego de Avila and Jaguey Grande;

Meat complexes in Camaguey and Cienfuegos;

Beer factory in Camaguey;

Eleven citrus packaging plants; and

Concrete beam factory.

Since the First PCC Congress, our economy has not only grown in absolute terms but it has maintained the process of improving its efficiency. From 1976 to 1981, productivity increased about 36.6 percent; in 1981, it increased more than 12 percent. During those 6 years, 70 percent of the growth of the Global Social Product was due to increased productivity. That period was characterized by reductions in consumption of raw materials and auxiliary materials per unit of production, especially fuel, in the enterprises.

The 5-year plan for 1981-85 includes an average annual growth in productivity of more than 3 percent and an average annual reduction in global production costs of 1.5 percent. These indicators summarize the continued policy for increased economic efficiency that is put into practice.

#### Cane and Sugar

The Programmatic Platform states that development of sugar production has a primary role in the fulfillment of the outlined economic policy.

Major resources have been allocated to carry out this task and the results, as of last year were as follows:

<u>Indicator</u>	<u>1975</u>	<u>1981</u>
Daily grinding norm (millions of arrobas)	44.1	50.3
Daily grinding (millions of arrobas)	36.0	42.5

In 6 years, daily cane processing capacity increased by 6.5 million arrobas through plans of consolidation and increased capacity of the old mills and the construction of four new mills.

A number of measures for the application of the Economic Management and Planning System were taken for the 1981 harvest and a preferential rate of 15 percent more than the rest of the workers was established for the wages of cane agricultural and sugar industrial workers. This was in addition to the system of bonuses and incentives. These and other organizational provisions led to increased work productivity in manual and mechanized cane cutting, harvesting and hauling. This made it possible to increase the daily cane supply to the mills by 6.5 million arrobas in 1981 compared to 1975.

Mechanization of cane cutting and the reduction in the number of cutters during those years were as follows:

<u>Indicator</u>	<u>1975</u>	<u>1981</u>
Cutters (thousands)	176	123
Attendance at cutting (%)	71	76
Arrobas per cutter	215	252
Combines (unit)	730	2,607
Mechanized cutting (%)	25	46

From 1975 to 1981, the number of cutters decreased by 53,000. Attendance at cutting increased 5 percent and the amount of cane cut daily by each cutter increased 37 arrobas. This represents a 25-percent growth in productivity. The Movement of Million-Arroba Brigades played an important role in this increase in attendance and productivity. In 1975, it included 31 percent of the cutters which had increased to 45 percent in 1981.

In 1975, 95 percent of the cane cut manually was harvested by machine. In 1981, this reached 97.5 percent with only 2.5 percent--545,000 arrobas daily--harvested manually, basically because of the topography of the fields.

In the 6 years analyzed, the number of combines increased almost 1,900. In 1975, 25 percent of the cane was cut with combines and 46 percent in 1981. Since there was an increase in the total volume of ground cane, this does not reflect the total progress in this sector. The most significant fact is that in 1975, 9.3 million arrobas were cut with combines daily while, in 1981, 20.6 million were cut daily--that is, 11.3 million arrobas more or an increase of 122 percent. According to available information, no other cane-producing country has managed to mechanize cutting of so much cane in such a brief period (1971-1981).

Cane agriculture has also increased the amount of area for this crop consistent with the increased industrial capacity as follows:

<u>Indicator</u>	<u>1975</u>	<u>1981</u>
Cane area (thousands of caballerias)	112	128
Yield per caballeria (thousands of arrobas)	51.8	63.5

During these years, the cane area has increased 16,000 caballerias and production per area 11,700 arrobas. In the middle of 1979, cane rust which attacked the B-4362 variety--the most common in the country--was detected. It was necessary to raze and replace some 35,000 caballerias of that variety in 2 years, 1980 and 1981. This limited expansion in area and reduced agricultural and industrial yields. In 1979, before the introduction of rust, a yield of 65,000 arrobas of cane per caballeria had been reached.

Also during these years mechanization of cane agricultural work continued. Now 100 percent of the land is prepared with tractors, more than 80 percent of the cultivation and fertilization is done with machines and there is work to increase mechanization of sowing and clearing weeds. These are the tasks that require the most manual work today.

This great development in the mechanization of cane agriculture required the establishment of hundreds of shops for equipment and tool repair. Consequently, there is an increase in training personnel to operate and repair that equipment. Thousands of equipment operators, mechanics, electricians, welders, etc., have been trained.

In the capitalist past, the image of the cane agricultural worker was a man with a shovel and machete. Although those implements have not been abandoned, today he is a worker with a higher cultural and technical level, a worker who works with mechanical equipment.

In accord with this policy to mechanize cane agriculture, the /mechanical industry/ has developed to produce the equipment in Cuba. The best examples are the construction of a factory to produce 600 cane combines per year with Soviet aid and an agricultural tool factory that can meet our needs for cane and other agricultural production with Bulgarian aid.

The mechanical industry for sugar industry equipment has also been developed. The old shops have been expanded and new factories have been erected like the tandem one in Santa Clara (expansion of the mechanical plant) and the boiler factory in Sagua la Grande. This permits us to produce approximately 60 percent of the equipment for the new mills in Cuba.

Also the by-products of the sugar industry are being developed. Nine plants have been constructed to produce torula from the final cane juice. There are also three bagasse board factories and one large plant--in the final stage--to produce pulp and paper from bagasse.

In a large number of mills, small plants have been built to mix urea, the final cane juice and predigested bagasse for cattle feed. This production--about 600,000 tons per harvest--is very useful for animal feed since it is produced during the dry period when our pasturage declines.

In 1980, the decision was made to combine cane production and sugar production in a single ministry so that there would be better coordination in their plans.

Cane and sugar production will continue expanding. It is planned to reach 145,000 caballerias planted with cane in 1985 and yield per caballeria will

increase to more than 70,000 arrobas. Industrial capacity will grow to more than 58 million arrobas per day through the construction of new mills and the expansion of more than 30 existing mills. Industrial and agricultural efficiency will improve and mechanized cutting and organization of the harvest will continue to increase to guarantee full cane supply during the harvest and to achieve the high production planned in 1985.

## Nickel and Geology

The Programmatic Platform states that nickel production will be promoted. This means large investments in rehabilitation of existing plants as well as in new plants.

Rehabilitation of the plants in Moa and Nicaro began during the period 1976-80. Over two-thirds of the more than 200 MMP\* planned investments for this objective have been carried out. This has made it possible to maintain and even increase the production levels. The production of 40.3 MT\*\* in 1981 is the highest in history for both factories. Rehabilitation must be completed in the present 5-year period. This will permit an increase in joint production to about 47 MT per year.

Also during the past 5-year period, construction work began on the new nickel plant in Punta Gorda with a capacity for 30 MT; it must be finished at the end of the present 5-year period. A general agreement was signed with a group of CEMA countries for the construction of another nickel plant in Cuba with 30 MT capacity--Las Camariocas. Its completion is planned for the end of the 5-year period 1986-90. Both plants represent investments of some 1,000 MMP.

Research and an investment proposal for three plants to produce sulfur enriched with nickel and cobalt began. They will permit recovery of the latter in Nicaro, Punta Gorda and Las Camariocas. The first two installations are planned for the present 5-year period and the third for the next period.

The Programmatic Platform states that geological prospecting for mineral deposits including oil will continue. In 1975, geological knowledge covered only 5 percent of national territory. This increased to 15 percent in 1980 and it is planned to cover more than 30 percent by 1985.

In 1976-80, there was work on geological research of an important group of deposits including: in Pinar del Rio Province, copper ore in Jucaro, lead and zinc in Nieves and Castellanos, phosphorite in La Pimienta and bauxite in Sierra Azul; in Santiago de Cuba Province, iron ore in Hierro Santiago and manganese in Los Chivos; in Holguin Province, chromium in Mercedita and nickel ore in Pinares de Mayari and Las Camariocas; in Matanzas Province, various deposits for construction materials in the Varadero-Cardenas and Yumuri-Puerto Escondido region; and oil in Boca de Jaruco in Havana Province.

\*MMP: million pesos

\*\*MT: thousand tons

For the period 1981-85, preliminary and detailed exploratory work is planned for the following deposits among others: in Pinar del Rio Province, copper ore in Las Uniones, Jucaro, Matahambre and Mantua, lead and zinc ore in Castellanos, Santa Lucia and Cuerpo 70, phosphorite in La Pimienta and oil and gas in the northern part of the province; in Holguin Province, nickel ore in Pinares de Mayari, Las Camariocas, Luz Norte and Luz Sur and chromium in Mercedita; in Camaguey Province, gold and chromium in Florencia and chromium in Camaguey; in Santiago de Cuba Province, iron ore in Hierro Santiago; in Isle of Youth, gold in Delita; in Havana Province, phosphorite in Guines Pipian; and in Matanzas Province, oil and gas in the Varadero-Cardenas region.

This work as well as work on other deposits of metallic and nonmetallic ores, oil and gas correspond to the demand for mineral raw materials for the economic development of the country in the present 5-year period and subsequent years.

### Energy

Despite the fact that, in the period 1976-81, oil refining capacity did not expand, there was an increase of more than 7 percent in processed crude oil due to better exploitation of existing capacity. At present, there are investments totaling almost 500 MMP which include expansion and reconstruction of the Nico Lopez and Hermanos Diaz refineries. This will mean an increase in capacity of 1.5 MMT\* by 1984. Also construction has begun of the first stage of the Cienfuegos refinery that will increase existing capacity by 3 MMT at the beginning of the 5-year period 1986-90.

During the last 5-year period, new electrical generation capacity was installed reaching 1,092 mW. This increased capacity in 1975 by 86.7 percent. During the present 5-year period, capacity for 1,251 mW must go into production with investments of more than 300 MMP. Also projects for the construction of the first nuclear powerplant that will incorporate capacity for 440 mW during the next 5-year period have begun.

At the same time, the construction of high voltage transmission lines showed development as seen below:

<u>UM/Km</u>	<u>Existing 1975</u>	<u>Constructed 1976-81</u>	<u>Planned 1982-85</u>
110 kW lines	2,060	690	approx. 500
220 kW lines	345	1,003	approx. 500

In 1980, interconnection of the 220 kW national electric system was completed. Construction of the first segment of the 500 kW line will begin at the end of the present 5-year period.

\*MMT: million tons

## Steel Industry

The development prospects of our economy will mean an important increase in the demand for steel products such as contours, plates, pipes, wires and cables.

Until now, national production has been basically limited to the production of corrugated bars which increased from 242.6 MT in 1975 to 275 MT in 1981 and will increase to about 400 MT in 1985. Per-capita consumption of steel products now is 91 kgs; it is estimated to reach 130 kgs in 1985. National production of these products now represents approximately 36 percent of national consumption. There is no significant change planned for the rest of the 5-year period.

In the present 5-year period, the second stage of expansion of Antillana de Acero will end, providing a capacity of 420 MT by 1985. During this period, the third stage will begin with an investment of some 370 MMP. This should mean more than 240 MT additional capacity by the end of the next 5-year period.

Also research work for the beginning of integrated steel industry in northern Oriente has begun. With an investment of some 1,500 MMP in the first stage, it will provide capacity for more than 1 MMT of steel plates during the next decade.

## Chemical Industry

In the chemical industry, there have been significant production increases during the period 1976-81. Production of /fertilizer/ has increased 59 percent; it has gone from 943.3 MT in 1975 to 1,503.7 MT in 1981, not including simple fertilizer.

The total production of /plate glass/ in the 5-year period 1976-80 was about 1,575,000 m<sup>2</sup>, 81 percent more than the total production in the preceding 5-year period. Nevertheless, during the last 3 years, there has been a decrease in this production because of technological difficulties. They should begin to be resolved this year with normal production in 1983. Construction of a plate glass factory will begin in the present 5-year period. At the beginning of the next 5-year period, it will provide additional capacity of 5.25 million m<sup>2</sup> with an investment of about 30 MMP.

The production of /bottles/ remained stable--about 190 MU\* per year. However, that situation will change this year with the start-up of the Las Tunas bottle factory which, with a capacity for 300 MU per year, will meet the needs for this product and create exports.

In the production of /tires/, the existing capacity has remained constant. The policy has been to develop production of recapped tires; capacity expanded

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\*MU: thousand units

from 315 MU in 1975 to 570 MU in 1980. It is planned to continue expanding to more than 750 MU by the end of the present 5-year period.

Studies continue on the development of /petrochemistry/. It is included in the work done on the elaboration of the Economic and Social Development Strategy up to the year 2000.

In the 5-year period 1976-80, new production capacity for /oxygen/, /liquid nitrogen/, /argon/, /liquid chlorine/ and /salt/ was incorporated. During the present 5-year period, the production capacity for industrial gases, herbicides and calcium carbide will be expanded even more. Also construction will begin on an intermediate resin plant for the production of paint.

As to /pulp/, /paper/, /cardboard/ and /Bristol board/, two new plants, one new line and two expansions will begin production in the present 5-year period. This will increase production from 109.5 MT in 1981 to about 200 MT in 1985 with investments of more than 200 MMP.

### Pharmaceutical Industry

The pharmaceutical industry has seen important development during this period. From 1976 to 1981, four plants began production and four others are under construction. By 1985, 11 more should be completed or begun. These investments include the production of bandages, concentrates, glasses, trusses, antibiotics, albumin, sera, sutures, dental anesthesia and other medications and raw materials.

The results of this investment process are shown on the following table:

<u>Production</u>	<u>UM</u>	<u>Real 1975</u>	<u>Real 1981</u>	<u>Plan 1985</u>	<u>Growth</u>	
					<u>1975-81</u>	<u>1981-85</u>
Medications	MMP	24.5	37.9	52.7	155	139
Pharmaceutical raw materials	MMP	0.3	0.7	6.4	233	914
Medicine for veterinary use	MMP	5.3	6.7	8.9	126	132
Other production	MMP	2.6	4.0	8.3	153	207

The production of medical instruments and health equipment is another sector that shows an important increase: from 0.3 MMP in 1975 to 3 MMP in 1981. About 4 MMP is planned for 1985.

### Fishing

The fishing sector had the following development (in MTM).

<u>Indicator</u>	<u>1975</u>	<u>1981</u>
Catch	144	164
Processed		
Frozen	11.4	18.4
Canned	2.5	4.2

A fishing fleet that can fish far from our coasts and the processing industry have been developed.

An important part of our fishing production is for export in order to increase foreign revenue.

The main difficulties in the fishing sector are the limitations on fishing areas imposed by some countries and the inherent problems in attention to a fleet that works far from our coasts.

During these years, aquiculture has increased. The catch rose to 6.8 MT in 1980 and will continue increasing to about 18,000 tons in 1985.

#### Textile Industry

In the textile branch, important projects have been carried out like the 60 million square meter textile complex in Santa Clara constructed at a cost of more than 140 MMP. Growth in textile production is guaranteed in the coming years through continuation of the investment program. It grew more than 5 percent from 1975 to 1981. The program includes such projects as the 80 million square meter textile complex in Santiago de Cuba and the weaving complex in Havana City. Once completed, they will total more than 320 MMP in investments.

#### Electronics Industry

The electronics industry has been promoted in the period 1976-81. The radio and television complex is in partial production with a total value of some 60 MMP. Radios began to be assembled in 1979 and televisions in 1980. It should be finished by the end of the present 5-year period. Production was as follows:

<u>Product</u>	<u>1975</u>	<u>1981</u>	<u>Planned for 1985</u>
Televisions (thousands)	25.6	77.8	130
Radios (thousands)	112.6	256.0	300

The production of color televisions began this year with 5,000 units.

In 1980, the assembly plant for telephone switchboards with capacity for 25,000 lines began production. It produced 131 switchboards in 1981 and some 200 are planned for 1982. Planned production for 1985 totals 600.

An important step in the development of the production of components is the acquisition of a semiconductor plant that will begin production in 1983. With an investment of more than 20 MMP, it will provide capacity for some 40 MMU. The production of variable ceramic condensers has begun.

Construction of a pilot plant for the production of silicone wafers begins in the present 5-year period.



For the next 5-year period, this development will continue through the installation of components plants: carbon resistors, potentiometers, ceramic condensers and electrolytic condensers.

The production of processing equipment and calculators was as follows:

<u>Product</u>	<u>1976</u>	<u>1981</u>	<u>Planned for 1985</u>
Minicomputers (U)	30	20	110
Alphanumeric displays (U)	--	--	3,890
Calculators (MU)	6	7.4	46
Microcomputers (U)	--	--	350

During the present 5-year period, the export of more than 10,000 displays is planned. This constitutes a new and important category of exports.

### Construction

Following the guideline in the Programmatic Platform to create a strong basis for the development of construction activities, the revolution has developed a program aimed at expanding existing production capacity in the construction materials industry. Increased capacity of cement production was outstanding. In 1975, there were five installations in the country with a total production capacity of 2.8 MMT; in 1981 the seven existing installations had a capacity of 5.6 MMT. At the same time, the capacity for processing stone and sand as well as the production of sanitary fixtures and asbestos cement pipes, among others, have grown.

The results of this investment effort are beginning to show up in the growth of production during these years.

The total annual production of construction materials is as follows:

<u>Product</u>	<u>UM</u>	<u>1975</u>	<u>1981</u>	<u>Ratio 1981-75</u>
Sand for construction	MMm <sup>3</sup>	4.2	4.8	1.14
Crushed stone	MMm <sup>3</sup>	8.9	9.4	1.06
Gray cement	MMT	2.1	3.3	1.57
Clay tile	Mm <sup>2</sup>	2,007.4	2,262.0	1.13
Concrete water pipes	km	135.9	207.9	1.50
Asbestos cement water pipes	km	147.4	757.0	5.14
Concrete blocks	MMU	35.8	43.4	1.21
Sanitary fixtures	MU	160.1	317.6	1.98

With the material base established and the increased organization, the investment capacity has grown considerably although it is still not enough.

Housing construction has increased from 18,602 units completed in 1975 to 24,605 in 1981. The rate of 30,000 housing units completed per year must be surpassed in coming years.

Also in recent years special attention has been given to maintenance, allocating increasing resources to this objective. In 1979, the construction production for maintenance totaled 127 MMP and there were some 40 MMP invested in construction materials, distributed to the people in mercantile funds. In 1981, construction production for maintenance increased to 196 MMP and the materials distributed to the people in mercantile funds increased to about 223 MMP.

Between 1975 and 1981, 865 km of railway grading were constructed and more than 770 km of the main railway were reconstructed. A total of 9,800 km of highways and roads were graded. About 370 km of the national highway were paved and are in use.

For 1985, the reconstruction of the main railway must be basically completed and the number of kilometers of the national highway paved and in use will double.

#### Transportation

The growth of the Cuban merchant fleet continued. At the beginning of 1981, it had 93 units with a deadweight of some 950 MT. That means 21 units more than at the beginning of 1975.

The average capacity of existing freight vehicles increased more than 11 percent between 1975 and 1980.

The total volume of freight transported in 1975 was about 67.8 MMT while it reached 107.8 MMT in 1981 for a growth of almost 59 percent. The increase achieved in railway transportation was outstanding; it went from approximately 11 MMT in 1975 to 18 MMT in 1981, an increase of more than 60 percent.

The average number of buses for public service increased about 3,500 between 1975 and 1981. The country had 9,495 buses in 1981 with 3,780 for urban service. The average number of daily trips increased from 63,900 in 1975 to 86,400 in 1981. The total number of passengers transported was 2,849,800,000 in 1981, more than 600 million more than transported in 1975. In other words, there was a significant increase in passenger transportation by bus, almost 28 percent. However, there are still major problems and deficiencies in this service. Measures have been taken that should yield results in the near future.

In the coming years, attention to the development of the transportation sector will continue. It will receive large investments--between 1,600 MMP and 1,800 MMP.

#### Communications

Construction of the coaxial cable as a means to improve communications began in 1976. As of 1981, 788 km of the 2,122 planned have been constructed. The Havana-Matanzas, San Jose-Guines and Havana-Santa Clara-Cienfuegos connections are already in service. Completion is planned for 1985.

The national microwave system was inaugurated in 1977 and represents an important step in the increase of television and telephone transmission.

In order to expand the base of the national radio chains and to develop the provincial chains based on the new political-administrative division, 37 transmitters have been installed from 1975 to 1981 with 194 kW of power. This raises the total in the country to 144 transmitters with 1,094 kW of power. This process will continue until reaching 184 transmitters with 1,435 kW of power in 1985.

With the installation of 28 transmitters with 35 kW of power from 1975 to 1981, television signals reach 90 percent of the national territory. By 1985, the entire territory will be covered through the installation of 27 low-power relayers and two 5 kW transmitters. During this period, the transmission of color television began.

In the telephone sector, priority attention has been given to the interior of the country. During the period 1976-81, 108 automatic telephone centrals were put into operation permitting direct communication between the provincial capitals and Havana City. The number of telephones per 100 inhabitants increased from 3.2 to 4.2. Assembly of the Havana City teleselection central began; it will permit direct dialing to the provinces. By 1985, the automation of 114 localities will be completed and the Havana City teleselection central will be operating. There should be more than five telephones per 100 inhabitants.

The mail and telegraph sector has reached the most isolated areas of the country and there has been important growth. The number of pieces of mail delivered has increased from 47.7 MMU in 1975 to 82.7 MMU in 1981. At this time, 97 percent of the letters are delivered within 4 days and more than 70 percent in 2 days. About 96 percent of the telegrams are delivered within 5 hours with more than 70 percent delivered in 2 hours. By 1985, there will be 98 MMU of correspondence delivered with 100 percent of the letters delivered in 4 days and telegrams in 5 hours.

During the present 5-year period, studies will continue for the construction of the Havana City postal complex and improvement of the organizational and control system of this service.

In international radiocommunications, the capacity of the Caribe earth station has increased from 24 to 60 telephone channels. Operation is beginning with geostationary satellites and a new earth station in the Intersalt system which has 24 telephone channels and 1 television channel began functioning. An international telephone central with the capacity for 120 lines was inaugurated and the international telegraph channels of the Telex service expanded from 16 to 64. Work on expansion of international radio broadcasting through the maritime mobile service and other capacity started with work on construction of three new centers: one to receive and two to transmit.

#### Tourism

Lodging capacity for tourists included some 8,700 rooms in hotels and motels and 2,146 in villas in 1981, a growth of more than 18 percent compared to

1976. About 110,000 tourists visited the country in 1981, not including Cubans residing abroad. This was more than twice the level reached in 1975 and provided revenue of more than 57 MMP.

Attention has been given to development of national tourism with more than 100,000 participating in national excursions and tours in 1980.

In recent years, by initiative of comrade Fidel and in collaboration with the UJC [Union of Young Communists], a new form of recreation was encouraged--camping. It has been popular, particularly among youths as revealed at the recent Fourth UJC Congress.

#### Food Production for the People

According to the Programmatic Platform, the production of food for the people and sales to the state have increased:

<u>Product</u>	Sales to the state in MT	
	<u>1975</u>	<u>1981</u>
Rice	405	456
Produce	392	560
Tubers and roots	329	629
Beef on the hoof	242	304
Poultry	43	76
Pork on the hoof	43	67
Milk*	591	899
Eggs (millions)	1,748	2,160

\*Refers only to state production

As can be seen, the main food categories have seen important growth although they are still not sufficient to satisfy the needs of the people in all cases.

The technical level and production per area for /vegetables and produce/ have improved. Agricultural enterprises have specialized in these products. Some provinces like Havana, Matanzas and Ciego de Avila have achieved a good level but, in others, these products are behind. Efforts are being made now so that each province produces the greatest quantity of those products possible to satisfy consumption.

The production and storage of /tobacco and citrus/ has had the following development:

<u>Product</u>	Storage in MTM	
	<u>1975</u>	<u>1981</u>
Tobacco (field)	41.5	52.3
Citrus	182.4	455.5

Tobacco suffered a major decline in the 1979-80 harvest because of blue mold. However, measures were taken and the following year the best production levels were surpassed.

There has been rapid development in citrus production. In 6 years, the amount stored in 1975 more than doubled. This production will continue increasing in coming years.

Both products provide large exportable surpluses that increase our foreign revenue.

There has been a transformation in /cattle/ as to dairy cows. New breeds have been introduced and there is work to develop breeds adapted to our conditions. A material base of pasturage and installations has been established to adequately attend to this demanding sector. Veterinary services and the training of the personnel in that sector have improved. Our main limitations in increasing the production of our herd are availability of feed and management of the herd. There are also limitations in investments needed for this productive branch.

The daily production of /milk/ per dairy cow is as follows:

<u>Item</u>	<u>1975</u>	<u>1981</u>
Kilograms per cow daily	4.4	6.0

This is due to racial improvement and the modern installations that permit better care of the dairy cows. Greater experience, administrative demand and awareness of the workers in this sector have also had an influence.

About 80 percent of the milking and tasks related to feeding the cows have been mechanized.

There have also been improvements in the installations and food for beef cattle.

In the present 5-year period, large investments will continue in the cattle sector--some 1,000 MMP--with the objective of continuing to increase milk and meat production.

/Poultry activity/ has maintained an increase and can be considered consolidated although its production level is affected by difficulties in food supplies that can be allocated to this sector.

/Pork/ production has also increased in spite of swine fever introduced in the eastern provinces. However, this is one sector that we should attend to and increase more, especially through exploitation of national resources for feed.

Means have been used to expand the /processing industry/ for food, milk, canning, etc., as well as to construct warehouses and cold storage plants to

preserve or process most of these cyclical productions. Cold storage capacity of 119,000 cubic meters costing 50 MMP was built in the period 1976-81. However, there is still a shortage in capacity so that all the production cannot be processed or kept in cold storage plants.

The development of agricultural-livestock sciences and their practical application have been encouraged. New agricultural-livestock university departments, research institutes and experimental stations have been established in several provinces. The animal science and sugar-cane institutes have already yielded results.

Thousands of skilled workers, technicians, engineers and researchers have been trained in this field and have contributed to its improvement. The bases for its continued development have been created.

### Standard of Living

While the average daily diet in 1975 contained 2,622 calories and 71 grams of protein, it increased to 2,892 calories and 77 grams of protein in 1981. It is estimated that 3,154 calories and 81 grams of protein will be reached by 1985.

In 1975, 23 out of every 100 families owned televisions. This increased to 61 in 1981. The number of refrigerators went from 11 to 33, the number of radios from 42 to 112 and washers from 4 to 30. By 1985, it is estimated that almost 80 of every 100 families will own televisions, 54 will have refrigerators, 126 radios and almost 50 washers.

The volume of mercantile circulation grew about 35 percent between 1975 and 1981. It reached an estimated level of 6,703.7 MMP in 1981. It is felt that it will surpass 7,600 MMP by 1985, constituting the most dynamic element in the expansion of expenditures by the people.

Facing this evolution in mercantile circulation, the income of the people went from 5,488.7 MMP in 1975 to 8,230.5 MMP in 1981, a growth of almost 50 percent. This large increase in income was significantly influenced by increased wages which grew progressively during all the years of this period, particularly in 1980 and 1981 as a result of the application of the General Wage Reform.

The wage reform not only helped increase the average monthly wage to 169 pesos per worker but meant an increase in the minimum monthly wage of laborers--from 81 to 93 pesos--and of administrative and service workers--from 75 to 85 pesos. This complied with the principle in the Programmatic Platform: "The amount of the lowest wages and the national average wage must increase slowly."\*

Until 1980, the economic policy of the revolution kept prices practically unchanged for the people. However, at the end of 1981 it was necessary to apply

\*Programmatic Platform of the PCC published by the Revolutionary Orientation Department of the Central Committee of the PCC, Havana, 1976, p 71.

a retail price reform that somewhat attenuated the effects of the General Wage Reform and other increases in the income of the people to maintain the real purchasing power of the peso and to prevent inflationary pressures on the economy. The price increase, averaging approximately 10 to 12 percent, along with expansion of the supply of goods and services guarantee that the cash finds an adequate counterpart in mercantile funds available to the people.

The accumulated cash per person was equivalent to twice the average monthly wage in 1975. In 1981 it was only 1.5 times the monthly wage. Expansion and diversification of the supply have been important in the relative improvement experienced in domestic finances. In 1975, 2.46 pesos of retail goods and services were available to the people for every 1 peso of accumulated cash. This ratio grew progressively during this period until it reached 2.69 pesos of retail circulation per peso of accumulated cash in 1981.

With the development of production and the increase in supply, the widespread application of payment for the quality and quantity of work and the relative improvement of the balance between current income and expenses of the people have created the conditions for the gradual reduction of the rationed distribution of products. This will reinforce the functioning of the principle of socialist distribution.

In our case, the relative reduction of rationed distribution is developing without affecting the guarantee of products of prime necessity at moderate prices, within the reach of the lowest income families.

In 1980, approximately 44 percent of the value of products in the mercantile fund that year was marketed through the open market--22 percent was food and 22 percent industrial products. In 1981, the value of the products marketed through the open market increased to 55 percent--30 percent for food and 25 percent for industrial products. As products become available, the volume of products marketed through the open market will gradually increase.

A growing percentage of the needs of the people is satisfied through the social consumption funds to which the revolution allocates more resources every year. In 1981, budget expenditures for public health, social welfare and education totaled about 192 pesos per person, almost 90 pesos more than in 1975. The budget for 1982 includes expenditures for these sectors of 199 pesos per person.

In the 1980-81 school year, there were 554 more secondary schools than in the 1974-75 school year with 370,400 more students. In the 1974-75 school year, there were 150 basic secondary farm schools; there were 415 in the 1980-81 school year.

In public health, the number of beds for medical care went from 4.5 for every 1,000 inhabitants in 1975 to 5.0 in 1981, with a better territorial distribution. Out-patient visits increased from 2.7 to 3.2 per person and the number of inhabitants per doctor improved--from 1,008 in 1975 to 599 in 1981. The number of inhabitants per dentist improved from 4,055 in 1975 to 2,329 in 1981.

## The Peasants and Cooperatives

The economic relations and mercantile trade between the state and the peasants and cooperatives have been strengthened. The state has set appropriate prices for peasant products and stores its planned production. Also the state, as much as possible, supplies industrial products and supplies and provides technical services to the peasants and cooperatives. The peasants produce and sell to the state 18 percent of the cane, 79 percent of the tobacco, 60 percent of the coffee and 47 percent of the vegetables and produce.

Through the worker-peasant alliance and the policy outlined by the party, conditions have been created so that the individual peasant voluntarily joins cooperatives as a superior form of production. The result of this movement to cooperatives is as follows:

<u>Item</u>	<u>1975</u>	<u>As of 8 March 1982</u>
Cooperatives	43	1,143
Area (caballerias)	--	31,586
Cooperative members	--	42,278

This means that the area incorporated in agricultural-livestock cooperatives represents more than 26 percent of the total land in the hands of the peasants.

Now the peasants are carrying out production plans discussed with them and they progress steadily to cooperatives which will increase their contribution to agricultural-livestock production.

The taxes that the peasants must pay based on their production and income so that they can contribute to the support of the economy and payment for health, education and other services must still be established. There is work to fulfill this task of the Programmatic Platform.

## Technical and Material Supply

The Programmatic Platform indicates the need to organize the technical and material supply based on rational economic principles. For this reason, the State Committee for Technical and Material Supply was formed and its enterprise system now includes 9 specialized central enterprises, 12 provincial enterprises, 16 universal enterprises, 7 enterprises to recover raw materials and 2 service enterprises. The bulk of the means of production of the national economy circulates through them.

During this period, the system of roofed warehouses increased almost 40 percent with 680 Mm<sup>2</sup>. During the rest of the present 5-year period, it must increase about 25 percent. An intensive policy to exploit the existing warehouse capacity has developed.

## Standardization

Starting with the creation of the State Committee for Standardization, important steps in the development of a national system of standardization,



metrology and quality control have been taken with the participation of the organisms of the state administration.

There were about 500 norms in 1977. There are now more than 11,000 of which 2,800 are quality specifications.

In metrology, there are 20 laboratories under seven organisms. More than 750,000 measurement verifications have been made, especially for international trade, public health and the sugar industry.

In 1981, 102 products were certified with 93 achieving the mark of quality. The certification of at least 200 products is planned for 1982.

All the organisms and approximately 80 percent of the enterprises now have an office for standardization, metrology and quality control.

More than 125 courses have been taught to cadres with some 2,500 students completing their studies. There have been more than 300 seminars and conferences with some 20,000 comrades participating.

#### Havana City

The Programmatic Platform indicates the need to encourage the beautification and development of Havana City as the most important economic, political, cultural and artistic center in the nation.

The approval and application of the Regulation for Beautification and Hygiene has helped beautify the city.

The process to restore Old Havana began during this period and the first steps in urban renewal were taken. Some 22,000 housing units worth approximately 200 MMP were built. The retail trade network increased by 18,000 square meters. The construction of hotels and sports and cultural centers has been modest.

More than 4 MMP were invested in roads. The garbage collection system was expanded and modernized. More than 400 km in water and sewer works were built for more than 12 MMP. Services to the people have almost doubled.

During the present 5-year period, there are plans to continue the beautification and development of the city and complete the master plan.

#### Development Strategy

The Programmatic Platform indicates the importance of drawing up a long-term economic development strategy. JUCEPLAN [Central Planning Board] began compilation and analysis of past main economic indicators as well as a preliminary global prediction until the year 2000. Later the organisms of the central state administration, the provincial people's government organs and the political and mass organizations were incorporated in this work. They were organized into 44 committees to study the main economic, social and scientific-technical problems.

The preliminary results were submitted for consideration to the Politburo and the Executive Committee of the Council of Ministers and work has continued on improvement of those results. Joint studies with the USSR and other socialist countries in CEMA began on international specialization and long-term economic cooperation.

Now there is work on individual territorial predictions and provincial development plans.

Work on the strategy must be completed basically by the end of 1983. For the first time, we will have a broad, adequately supported perspective that will serve as the basis for the elaboration of the coming 5-year plans.

#### Increase, Diversification of Exports

After the approval of the Programmatic Platform at the First PCC Congress, the country has been making a sustained effort to increase and diversify exports.

The increased value of exports in recent years reflects this trend:

<u>Year</u>	<u>Exports of merchandise (FOB)</u> <u>(MMP at current prices)</u>
1976	2,692.4
1977	2,918.4
1978	3,440.1
1979	3,500.4
1980	3,967.0

Source: Statistics Yearbook of Cuba, 1980

At the same time, exports have diversified, incorporating new branches. In the 5-year period 1976-80, there were 115 new export products and 17 new export products in 1981 for a total of more than 130 new exportable funds. These still represent a relatively small weight in the total value of our exports.

#### International Economic Relations

##### Economic Relations with USSR, Other CEMA Countries

Trade with the socialist countries has increased considerably between 1976 and 1980, reaching 6,296.5 MMP in 1980. Compared to 1976 (3,954.0 MMP), this means a 59-percent increase in trade with these countries.

Trade also grew 59 percent with CEMA countries, increasing from 3,709.9 MMP in 1976 to 6,053.4 MMP in 1980. The volume of trade with the USSR was decisive in this growth. It increased to 5,064.4 MMP in 1980, an increase of 62 percent compared to 1975.

As to multilateral economic cooperation, the interested CEMA countries and Cuba have signed PECLP [Specific Programs of Long-Term Cooperation] for sugar,

citrus and nickel. These programs grant us a certain level of specialization in those three important products which are basic exports of our country. During the decade 1981-90, Cuba will receive major credits from the CEMA countries to finance the development of these branches which will be amortized with the products obtained. Multilateral pacts have also been signed for geological prospecting and for the accelerated development of science and technology in our country.

In bilateral cooperation, intergovernmental agreements have been signed with all the European countries in CEMA to finance important industrial objectives in almost all the branches of the economy.

#### Economic Relations with Countries in Latin America, Asia, Africa

An integrationist policy with the countries of Latin America and the Caribbean has continued. Cuba is a member of SELA [Latin American Economic System], GEPLACEA [Group of Latin American and Caribbean Sugar Exporting Countries], OLADE [Latin American Energy Organization] and NAMUCAR [Caribbean Multinational Shipping Line], all organizations to defend the interests of the region against the powerful imperialist multinational enterprises.

There has been work to expand trade relations with the countries of the Caribbean and Latin America despite the limitations of the social and political conditions in most of them.

The development of trade with this area has gone from 226.4 MMP in 1976 to 299.4 MMP in 1980. There has been progress here and in economic cooperation which must increase and be consolidated in the present 5-year period.

Trade with Asian countries (excluding the socialist countries and Japan) has notably increased, especially exports: from 59.0 MMP in 1976 to 182.9 MMP in 1980.

Trade with African countries also shows a notable increase: from 87.8 MMP in 1976 to 237.6 MMP in 1980.

#### Economic Relations with Developed Capitalist Countries

Trade with this group of countries totaled about 1,531.8 MMP in 1976 and about 1,448.8 MMP in 1980.

Cuba has been fighting consistently in all the international forums to obtain suitable prices and just exchange relations in trade between the underdeveloped countries and the developed capitalist countries. Practical results have not yet been achieved.

The developed capitalist countries that have granted credits to Cuba to finance industrial objectives during the period 1975-81 include Spain, France, Japan, Italy, Belgium, Austria, Denmark, Holland, Sweden, FRG and Canada.

## Conclusions

This has been a brief summary of the tasks carried out by our organisms and enterprises and by our people to comply with the Programmatic Platform in developing the economy with the objective of resolving its structural deformation, developing national industry, diversifying and increasing agricultural-livestock production, increasing exportable branches and the volume of exports, replacing imports and progressively raising the standard of living of the people--in other words, creating the material and technical basis of socialism.

Although there has been extraordinary progress in the fulfillment of those tasks during this time, not all the goals have been met because of the adverse international situation which continually worsens, the diseases that greatly affected cane, tobacco and swine and the deficiencies we still have in economic management and administration.

The balance is unquestionably positive and constitutes a notable step forward. It lays the foundations to achieve, in the next 5-year period, the main and immediate objective of the Cuban people as stated in the Programmatic Platform of the PCC: to continue the construction of socialism until reaching the first phase of the communist society.

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## MILITARY TRAINING UNIT THEORY EXPLAINED

Havana VERDE OLIVO in Spanish 9 Sep 82, No 36, pp 28-31

[Article by Mario Rodriguez: "On the Starting Line"; first in a series on the work of military chiefs and collectives]

[Text] With this article, VERDE OLIVO begins publication of a series of articles on different aspects of the work of the chief and the military collective.

This material is aimed at analyzing important questions like the structure of the activity of the chief, the existing coordination in instruction, education and leadership of subordinates, the formation and consolidation of the military collective, the sociopsychological phenomena in it, the stages and levels in its development and psychological stability, the formation of combat mastery, etc.

Our FAR is now a modern army equipped with complex and effective armaments and combat technology. This means that new and more difficult tasks face the chiefs at the different levels to insure the combat ability and readiness of the small and large units.

To successfully meet the requirements of service under these conditions, the chiefs--in addition to mastering the armaments and technology as well as the forms and methods for combat--must have pedagogic-military mastery and ability in education, instruction and leadership of subordinates.

Leadership of the personnel and their political and military education require the chief to give a correct explanation of the immediate and future objectives of their work and a multilateral analysis of the existing situation in the small or large unit. He must also make timely decisions after the selection of the most suitable methods.

In a word, he needs the most efficient method to take care of the tasks presented and the ability to find the best solution--that is, an appropriate work style.

Evaluation of the situation of the small or large unit and the proper decisions depend on the understanding that the chiefs have of the missions

presented by the party and the government to the FAR, on the analysis of the political, moral and disciplinary situation and on the combat training and readiness of the personnel.

Since combat technology and armaments assume coordinated activity by the military collectives, firm and uninterrupted leadership constitutes an urgent premise for success in troop activities.

The characteristics Marx gave to leadership of social work are completely applicable to the military sphere:

"Every directly social or collective job done at a relatively large scale needs leadership to a greater or lesser extent which establishes the necessary coordination between the individual jobs and fulfills the general functions that emanate from the movement of the entire productive organism, different from the movement of its independent organs. A single violinist can direct himself; an orchestra needs a director."

Troop leadership by chiefs is an obligation legalized in the regulations. Article 52 of the FAR Regulation on Domestic Service emphasizes: "The chief must personally direct combat and political training, maintain high military discipline in the (small) military unit assigned, know his subordinates through personal contact in service as well as in daily life..., know the political, moral and work qualities of his subordinates, constantly improve his military knowledge and devote himself daily to the political, legal and military education of the personnel."

Of course, the chief must constantly improve leadership methods of his small or large unit, work persistently on improvement of his organizational and methodological abilities and study and put into practice everything new and advanced that helps increase the effectiveness of instruction and education of the subordinates.

The basic context of the activities of the chief can be summarized in the fulfillment of the following duties:

- Organizational duty;
- Political-educational duty;
- Pedagogic-military duty;
- Duty as military specialist;
- Economic-administrative duty; and
- Duty as service leader.

Let us analyze the essence of each one.

When exercising sole command, the chief becomes an organizer par excellence of the activities of his subordinates in small or larger units. He plans, organizes and regulates the work of the officers, warrant officers, sergeants and soldiers, makes decisions, supervises and helps.

Since the organizational duty is in a ranking place in the activities of any leader, its realization to a large extent determines success in the mission presented. Lenin stated the following:

"The leader answers not only for how he leads but also for what those whom he leads do. This is often not known by the leader or he simply does not want to recognize it; however, the responsibility rests on him."

Through organizational activity, a perfectly consolidated work and real friendly relations within the collective become possible.

A chief with adequate organizational habits must be characterized by his tact and analytical ability, practical experience, precision, communicativeness, intelligence and decision-making qualities. Of course, in addition to these qualities, every military leader must possess in-depth multilateral knowledge in history, politics, technology, philosophy, psychology, pedagogy, etc.

Only on this basis will he be able to understand and remember the details of the military conditions and missions and will he be capable of suitably directing the conduct of his subordinates.

The chief not only gives orders and commands but also organizes supervision and verification of their fulfillment. That is why it is stated in all justice that any weakening in the organizational activity of the chief can substantially affect the combat ability and readiness of the small unit.

In peacetime, the interests of defense of the socialist fatherland demand continued improvement of the work style and the ability to find the most effective ways to maintain constant combat readiness. In the end, this depends on each and every chief being capable of exemplarily fulfilling his duty as organizer.

He plays a basic role in the organization of the socialist emulation, a decisive element in increasing the quality of combat and political training.

The minister of the FAR, Army Gen Raul Castro, stated at the closing of the Fourth Evaluation Assembly of the party in the Central Army:

"As Lenin stated, emulation is a method of construction of communism. Through it, as we mobilize to fulfill, we also develop the political and ideological education of our soldiers."

Another aspect that cannot be forgotten during the development of organizational and leadership activities is constant support for the organizations of the party and the UJC [Union of Young Communists].

Particularly in the work of the UJC, the chiefs with ability and knowledge of the work content of the youth organizations can channel their activities and suggest concrete tasks aimed at aiding the development of the main missions and tasks of the small or larger unit. All this helps mobilize the personnel toward fulfillment of the missions presented in combat and political training and achieve increased coordination in the small units.

The organizations of the party and the UJC must work systematically to consolidate the sole command, increase the authority of the chief, inculcate love and respect for him in the soldiers and actively support his actions.

In this sense, the words of the minister of the FAR at the Third Meeting of PCC Secretaries in the FAR are valid. He stated:

"Practice has demonstrated and demonstrates each day--especially when the results achieved by the most distinguished units are analyzed--that that unity is the cornerstone of the success achieved. That unity, preserving the scientifically based principle of sole command, guaranteeing the role of the party vanguard and keeping in mind the specific style and methods of both, constantly translates into efforts and concrete measures that complement and help each other and develop the work and the conscious behavior of the soldiers and cadres of our armed forces."

Last, the organizations of the party and the UJC constantly watch that the educational and instructional tasks are coordinated in order to achieve effective mobilization of the personnel toward fulfillment of the most important missions.

The chief also fulfills the political-educational duty. As the representative of the party and the government within the armed forces, he must consistently and firmly carry out the policy of the party and the revolutionary government and also be capable of harmoniously combining demand with principles. He must be irreconcilable toward errors but always show confidence, respect and a constant concern for people.

The FAR officers must know party policy perfectly and apply it appropriately during their work with subordinates, carry their decisions out, report to the soldiers systematically on international events and successes in the construction of socialism, instruct political agitators to encourage socialist emulation, control political information and organize mass cultural work and sports activities.

In peacetime as well as in wartime, the chief must carry out his pedagogic-military duty with great ability and mastery. He answers for the combat, political and psychological training, for the education and instruction of the personnel.

When instructing his subordinates, he must transfer his knowledge to them in an exemplary way. In this way, he unquestionably acts on the personality of the subordinate and especially on the group and, with the aid of certain means, methods and procedures, forms the necessary moral and combat qualities in them.

Through political, moral and psychological preparation, the chief increases the readiness of subordinates to carry out actions.

The many factors that influence the educational process and the personality of the officer-teacher do not always yield a complete idea of the results achieved, particularly in education of the personnel.



It often happens that the volume of educational work does not correspond to quality and effectiveness. In practice, at times the officer, after carrying out innumerable measures for combat and political training, does not achieve outstanding results.

Experience shows that evaluation of the pedagogic-military activity of the officer should be limited to educational and instructional activities with the personnel and the individual training of the leader. The results of the educational work and the chief's level of pedagogic mastery can only be evaluated in these two areas.

It is also necessary to give attention to other subtleties and difficulties that can appear during fulfillment of the chief's educational duty.

As is known, education achieves its objectives when it causes the desired changes in the individual as well as in the collective, when it contributes to their development and consolidates concern for self-education in the soldiers. Otherwise, the results achieved might be unstable.

Let us recall, for example, a recent visit to one of our units that for some time held the seat of honor in the socialist emulation within the larger unit. We quickly perceived a certain regression in the life and activities of the collective.

When we talked with the officers of the general staff later, we could explain the situation.

For service reasons, the chief of the unit had been transferred to another job. According to what they explained to us, this officer impregnated the collective with a certain work style which emphasized constant attention for any activity developed by the personnel. Even in daily life, he used all his energy, demand and control.

In short, the regression was due to a constant mobility of the unit. There was barely time for consolidation of the combat and moral qualities of the soldiers, their independence and initiative.

For the successful formation of a military collective, it is necessary to know the personnel, distinguish the peculiarities of their development, analyze the conditions under which the instruction, education and service are carried out and determine the possibilities and prospects to form the best qualities.

Full knowledge of the subordinates is a very important requirement for the effective organization of instruction and service, the creative use of the means and methods of instruction and education, individual treatment and influence on the state of mind and on social opinion.

Knowing the subordinates can have a positive influence on their readiness and activities while it forms increased moral and psychological qualities in them.

Our commander in chief indicated at the end of the "Ayacucho-150" maneuver: "During war, technology is necessary, training is necessary and, especially, the awareness and the courage of the soldiers are necessary."

When leading personnel, the chief must keep in mind the unequal and conflicting development between the individual and the collective.

Frequently one soldier can quickly become a skilled and disciplined soldier while another develops slowly and it is harder for him to assimilate the necessary knowledge and ability. This case shows the dependence between the consecutive stages of instruction and the preceding ones, the fight between the old and the new in the minds of the soldiers, the influence of individual peculiarities and the differences in experience.

For example, two military collectives, under equal conditions, can experience changes at unequal rates and require a different ideological and psychological influence in their leadership.

The chiefs fulfill the duty as military specialist. Since combat technology and armaments change and are constantly improved, the chiefs at all levels must systematically up-date their knowledge of the materiel, rules of use, preservation and maintenance, know how to determine and correctly present the missions to their subordinates in the use of technology and armaments and be examples in the observance of the rules contained in the instructions for use.

In maneuvers, in classes in the field and even in individual work, the officers must study the combat technology and armaments of enemy armies, their strong and weak points, the organization of their troops, their fire, strike and maneuvering possibilities and other indispensable aspects that contribute to the tactical maturity of the chiefs.

When fulfilling the economic-administrative duty, the military leader directs the correct organization of the personnel, maintains strict order and discipline, makes sure the subordinates keep the armaments, technology, safety equipment and the other equipment in perfect condition and concerns himself about maintenance and correct use of installations, the cleanliness and care of areas and compliance with fire safety measures.

At the same time, as economic-administrative leader, he must guarantee that the personnel have the established equipment and clothing, concern himself with the living conditions of his subordinates and inquire into their needs, direct the work of the personnel and supervise repairs of armaments and technical means.

The fulfillment of the educational and combat missions depends on the successful solution of all these matters.

Lastly, the chiefs are in charge of organizing the service: the combat guards, the interior services and the guard.

A high collective spirit of mutual aid and excellent mastery of armaments and combat technology are necessary for the successful fulfillment of the combat guard.

The readiness of the personnel for combat and the development of courage, understanding, determination and independence depend on the organization of the combat guard.

In this way, the context of the activities of the chief includes the fulfillment of innumerable responsibilities and assumes the realization of an entire set of measures aimed at guaranteeing constant combat readiness and victory in war.

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CSO: 3248/13

## FAR COMBAT TRAINING EXERCISE DESCRIBED

Havana VERDE OLIVO in Spanish 9 Sep 82, No 36, pp 4-7

[Article by Alberto Alvarino Atienzar: "Close-Range Combat"]

[Text] Troop leadership in its most basic meaning is the activity and influence that the chiefs and organs of command exercise consciously and consistently in the successful fulfillment of the different missions assigned. This leadership is effective when the mission is completely carried out with the smallest expenditure of forces and means and in the shortest time possible.

In recent years, with the development of contemporary military science and art, the demands of troop command have increased. This is mainly due to the increasing complexity of combat and sudden changes in the situation, the incessant increase and improvement in military technology and armaments and the rapid development of conventional means and means of mass destruction. Consequently, there is a process of increased technology and automation in leadership.

Speed, flexibility, camouflage, surprise, continuity of action, secret command of troops, correct use of organic and support forces and means and increased combat readiness and ability throughout the chain of command are proven principles. Combat victory over the enemy cannot be achieved without them.

These requirements and principles unquestionably demand incessant improvement of the preparation and training of chiefs, officers and general staffs and the formation of firm peacetime habits. The tactical complex serves these objectives.

#### Genesis, General Objectives

Details were finalized to show the complex to the participants in the methodological meeting of the chiefs of the Western Army.

That morning those attending would familiarize themselves with the structure and organization of the complex and the use of the different classrooms. They would learn the main requirements to organize and hold classes and training with their small and large units and would observe a training exercise of three ranks called "rejection of enemy landing in cooperation with other forces of the 60 DIM [Military Intelligence Directorate]."

The demonstration interested everyone. That is important because the multi-lateral training of the main chiefs and officers of the large and small units on central command topics and the tactical training of the troops can be done through the complex.

The main parts of the tactical complex include the command classroom, another group of classrooms for the special training of chiefs and officers and a firing range for the different pistol exercises planned for officers during the instruction year.

The tactical complex has its origins in the experiences of the Soviet Armed Forces and in the demands presented by the commander in chief and the minister of the FAR concerning the need to constantly increase the methodological level of the training of the chiefs and officers in troop leadership.

The command classroom--the main component--trains chiefs, officers and general staffs in the multifaceted development of central tactical elements and combat support, increases their capability and training in troop leadership during combat organization and realization, the maintenance of uninterrupted cooperation through communications and secret command.

The concept, structure and equipment of this installation help form the necessary habits and skill. The classroom has a tactical model, a large-scale graphic representation of a portion of the terrain. It also has command booths with communications equipment, binoculars, maps and documents for combat leadership, command posts and observation posts for land artillery equipped with optical instruments and fire direction equipment and booths for the leader to direct the training.

It also has equipment for showing films, educational documentaries and slides, a communications center and a food base for communications support and sites for training officers on general staffs to draw up combat documents and to get the unit into complete combat readiness.

Sound and lighting effects that create psychological conditions approaching battle reality attract attention. There are also signals for different alarms, an amplification system and tape recording of the commands during the training.

Different tactical training activities can be carried out in this classroom. These include evaluation of the situation, reconnaissance of the terrain, presentation of missions to subordinates, organization of cooperation, training in troop command of different ranks, activities included in the exercises for chiefs and general staffs, lightning exercises and tactics classes.

The installation makes it possible to train the chiefs of different chains of command and the main organs for scouting and fire direction in different combat situations.

Then Came "Combat"

There was action everywhere in each line of booths that simulate the command and observation posts of battalions, regiments and divisions. The leadership

organs act together in each variant. The chiefs chart the situation received on the map each time, observe the battlefield and the actions of the "enemy," evaluate the situation, make decisions, give orders on the radio and report. Everything is like real close-range combat!

The different voices of command and messages are heard incessantly, flooding the area.

"First fire attack; on artillery batteries and mortar sections; from S-18 to S-15; time, 3 minutes. Signal 'Rayo.' Target 01, 02, 03, 04, 05. Use 15 missiles."

"Pedal: combat against infantry battalion reinforced with tanks and artillery; on the line north of 'maja'(55-18-3), south of 'aji,' northwest of 'aji,' 'maja'(54-12-2)."

"The enemy went to defense of the line."

"'Enemy' airplanes bombed with chemical substances...."

"Using artillery fire, I decided to hold the line firm."

"The 'enemy' withdraws in the direction...."

"At 1715 hours of 20 August 1982 defense of the coast was reestablished...."

Soon we saw the leader give combat orders, listen to the messengers and approve decisions, introduce sounds, imitations and different variants, establish communications, supervise subordinates, create interference on the border channels, give sound and light warning signals and direct the projection of films and slides. How many different calculations, analyses, conclusions and movements the leader generated for the participating officers in such a short time!

The demonstration class completely fulfilled its objectives. The effectiveness of the tactical complex was established.

The main conclusion for the day was given by the first alternate for the minister of the FAR and chief of staff, Div Gen Ulises Rosales del Toro: "These tactical complexes create the conditions to achieve superior results in the training and coordination of the chiefs, officers and general staffs and improve the work methods and style in troop organization and leadership under the closest conditions to combat."

As we left, we all were convinced by what we had just seen and heard. This important element of the material base of study will make the mandate of the Second Party Congress reality:

To continue increasing the training of the chiefs, officers and general staffs in accordance with the advances of contemporary military science.

Communications to 5

Quite early we observed one very active, busy soldier who tested the communications equipment, moved around constantly and corrected problems.

Then came the usual photographs for the report. He acted discreet and prudent like someone trying to go unnoticed and hiding from the insistent lens of the photographer. We could already hear the different variants and sounds that simulated actions and, in testing the radios and telephones, the different speakers reported that "they copied 5." This continued throughout the combat.

When we left, one of the officers who had accompanied us approached. Combining the question with a suggestion, he asked: "Why don't you take a picture of that youth?"

I understood without any question that it was a distinguished man and I agreed.

Then I saw that it was the same active, discreet youth whom we had seen working since the beginning with responsibility and discipline.

Now the soldier hid his words, barely mentioning himself, perhaps for modesty or because he believed that there were more distinguished soldiers.

The officer understood the difficult situation for us and said: "If it is possible, reflect in your article that he is Roberto Llerena Gamon, a radio technician, and he was outstanding in the organization of the radio and telephone communications system of the command classroom."

We did not know any more about him but that was not necessary.

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CSO: 3248/13

## JOHN URGES FILLING OF OPPOSITION POST IN ASSEMBLY

Bridgetown SUNDAY ADVOCATE-NEWS in English 19 Sep 82 p 3

[Text] Roseau Dominica Saturday (CANA)--Former Dominica Prime Minister Patrick John has written President Aurelius Marie, urging him to appoint a leader of the Opposition in the Dominica House of Assembly, a post vacant since the Freedom Party came to power in 1980 elections.

In the letter dated September 15 and made available to newsmen yesterday, Mr. John said a Leader of the Opposition was important in appointing the island's President, Senators, the Constituency Boundaries Commission and the Electoral Commission.

The ruling Dominica Freedom Party (DFP) of Prime Minister Eugenia Charles won 17 of the 21 seats at stake during the last elections, with the four remaining seats being divided equally by two Opposition groups in Parliament: there are two independents and two members of the Democratic Labour Party (DEMLAB).

A leader of the Opposition must command majority support among Opposition Parliamentarians and this has proved unviable.

One of the Opposition MPs, former Finance Minister Michael Douglas had accused the two independent members of conniving with the Government in an effort to prevent him from being appointed to the post.

In his letter, Mr. John also mentioned that the term of the President was due to expire next year and that "in the absence of a Leader of the Opposition, section 19 (1-4) of the Constitution becomes null and void, thus giving the present government a free hand to do as it pleases."

The former Prime Minister said the failure to appoint a Leader of the Opposition "creates a situation which makes it easy for the Freedom Party regime to influence through the Boundaries Commission, and the Electoral Commission the outcome of the next General Elections and any by-election therein."

Your Excellency must not overlook the fact that the Electoral Commission is responsible for election" the letter went on, urging the head of state to act "in his own deliberate judgement" and consult with bona fide Opposition political parties to discuss the matter urgently.



"...We pray that you let history record your action in this matter, as one boldly executed in an endeavour to help protect our symbol of democracy which, unfortunatley, is fastly eroding under the present Freedom regime and being replaced by neoptism, bureaucratic totalitarianism and autocratic dictatorship" the three-page letter concluded.

CSO: 3298/015

## BRIEFS

SUPPORT ON POWER PURCHASE--ROSEAU, Dominica, Sept. 20, (CANA)--The Dominica Government's plan to take the majority shareholding in the island's lone power company has been welcomed by opposition parties here. However, in separate statements, both the left-leaning Dominica Liberation Movement Alliance (DLMA) and two labour parties have warned the government against using the planned acquisition of 51 percent of the shares to increase the island's electricity rates. The London-based Commonwealth Development Corporation (CDC) owns the majority of the shares in the power company, the Dominica Electricity Services (DES). [Kingston THE DAILY GLEANER in English 22 Sep 82 p 3]

CSO: 3298/015

## FARMERS' ATTITUDES INTERFERING IN MOKO ERADICATION

Bridgetown ADVOCATE-NEWS in English 14 Sep 82 p 3

[Text]

ST. GEORGE'S, Grenada, Monday (CANA) — The head of Grenada's Moko eradication team, James Marrast, has said farmers attitudes are continuing to pose a severe threat to the efforts aimed at curtailing the spread of the banana disease.

Marrast, in a radio broadcast, said that farmers throughout the country have lost interest in the fight against Moko.

Mr. Marrast said that the disease was so severe that between June and July about 27 803 banana plants had to be destroyed because of the disease and that since it was first observed in the country in 1978 a total of 161 880 plants have been destroyed.

He said that although the eradication team had undertaken a number of initiatives aimed at drawing public awareness to the dangers of the disease, the fact remained that they have not been able to achieve the level of interest expected.

Moko disease which is now

widespread in the northern part of Grenada broke out four years ago and in 1980 the government established a Moko eradication team within the Ministry of Agriculture to combat it.

The Grenada Government has also passed legislation giving extension officers the right to enter banana fields affected by the disease institute control measures, as well as for farmers to report suspected cases of Moko to the Ministry of Agriculture, the Grenada Banana Co-operative Society and the Moko eradication team.

Mr. Marrast said many farmers were not making any effort to stop the spread of the disease and were engaged in the practice of replanting bananas in affected fields before the required recovery period.

Other planters threatened members of the eradication team while others failed to use sterilisation equipment in fields known to be affected by Moko, he added.

CSO: 3298/015

## BRIEFS

ARGENTINIAN VISITORS--ST. GEORGE'S, Grenada, Thursday (CANA)--A three-man delegation from Argentina has left Grenada after a 3-day visit holding talks with members of the People's Revolutionary Government (PRG) including the Ministry of Foreign Affairs. An official statement here said the Argentine delegation, headed by the country's Director General of the Foreign Service, Ambassador Carales, discussed matters relating to the continuing dispute between Buenos Aires and London over ownership of the British Administered Falkland Islands. The statement said the delegation discussed with the Grenada Government an Argentine sponsored resolution to be presented to the forthcoming United Nations General Assembly calling for negotiation between Britain and Argentina to settle the dispute. It quoted the leader of the Argentine mission as saying that the visit to Grenada was also a means of expressing appreciation for "the constant and principled support" of the Grenada Government for Argentina's claim to sovereignty over the disputed South Atlantic islands. [Bridgetown ADVOCATE-NEWS in English 17 Sep 82 p 3]

CSO: 3298/015

## ATTENTION DRAWN TO HIGH OFFICIALS' SUMPTUOUS HOMES

## Lopez Portillo's 'Fortress'

Mexico City PROCESO in Spanish 13 Sep 82 pp 20-21

[Article by Guillermo Correa]

[Text] To the amazement of his legislative colleagues, and prompted by what "is a very widespread comment," on 26 August of this year Carlos Sanchez Cardenas, the PSUM's [Unified Socialist Party of Mexico] representative on the Standing Committee of the Congress of the Union, requested that "President Lopez Portillo explain to the people of Mexico why billions of pesos are being spent on the construction of mansions for him and his family, using federal government funds."

The deputy from the Unified Socialist Party of Mexico publicly stated that, "In Cuajimalpa, an area where mansions are being built, an electric substation was installed which could readily supply lighting for an entire medium-sized town"; and stressed that, according to rumors, "Those buildings, which require large amounts of funds, have been constructed at the expense of the federal government."

Sanchez Cardenas explained: "I am not accusing, I am not making charges; I am simply requesting information here."

Six days later, in his last report, President Lopez Portillo declared: "...I have never sacrificed substance to form; I am leaving, and I shall leave with my hands clean of blood and misused funds."

PROCESO investigated: Guarded by "soldiers" (residents and workers claim), four mansions and a library are being erected on Lomas de Vista Hermosa hill, within the Bosques de las Lomas section of the Cuajimalpa district. Of the ranch type, the most finished one resembles a walled fortress of the Middle Ages, dominating the entire Federal District from its location.

Situated in the Cuajimalpa district, the complex is viewed from the highway to Toluca, and becomes completely visible opposite the facilities of the National Fruit Growers Commission (CONAFRUT), at exactly kilometer 13.5 and at the Palo Alto Cooperative site.

Red-brick in color, the main mansion, a kind of fortress, has many full arches, and looking through its windows enables one to claim that it will contain no fewer than 20 rooms. On the right side, along Loma del Recuerdo Street, a group of uniformed men stands guard in an olive-drab field tent. The structure is, in fact, inaccessible to strangers, because it is also surrounded by a wire fence, and there is access from it only to the Cumbres Institute.

The other mansions, yellow and pink, with one still in the rough construction stage, are of different styles, ranging from rustic to contemporary. They all stand out for their quality: large colonial type windows, peaked roofs, in the California style; many fireplaces and a large balcony. What they say will be a library is typified by its circular shape.

These are the structures cited by the PSUM deputy, and the land on which the five buildings are located has an area of about 100,000 square meters, although the total construction covers approximately 13,000 square meters.

The local residents claim that the Secretariat of Human Settlements and Public Works (SAHOP) is building the accesses, including a passageway dropping down to the highway to Toluca, rapid communication facilities, a drinking water supply and drainage.

According to these reports, the public works job is of the best quality (to give an example, the drinking water piping is 20 inches thick), and costs approximately 1.5 billion pesos, including earth fill and embankments inside of the property.

The mystery that surrounds the ownership of the mansions has given rise to speculation among the residents and workers, which has increased as a result of the silence of the Cuajimalpa officials who will not tell who the future occupants of the houses are going to be.

The fact is that their existence is known throughout the entire country, something which has prompted various organizations to back Carlos Sanchez Cardenas' request for a report to the nation on the person or persons to whom the mansions belong. For example, this request has been made by Eugenio Clariond Reyes, head of the Nuevo Leon Chamber of the Manufacturing Industry, the Cuajimalpa Settlers Union and the Center of Agrarian Studies.

The Orta Bautista family, which has spent over 5 years tending a plot of land located beside the construction, explains that the work began in February of last year. "First, they said that the buildings belonged to Cantinflas, but we later found out that they belong to the president; because his wife and son come very often. Besides, the ones on guard are not policemen, but soldiers."

The stories coincide: Pablo Rodriguez and German Fuentes, who are workers on the buildings, claim: "Dona Carmen Romano has come to see the workers and, according to the engineers, one of the houses will be for President Lopez Portillo, two others will be for each of his daughters and the last one will be for Jose Ramon, the son."

Other residents claim that the land was sold in 1980 by Mr Jose Martinez Castro, and that the one in charge of the construction is architect Francisco Gaya, who

has been a builder for the Secretariat of Finance for the past 10 years and who is also the owner of the construction company.

Nevertheless, neither the Architects Association nor the Mexican Association of Engineers and Architects has the alleged builder recorded as a member.

According to the Cuajimalpa Settlers Union, the explanation for the construction must be mainly that the land in the district has been a target for the ambitions of the subdivision developers, who profit from its use. They say: "They have managed to obtain the clandestine participation of corrupt officials in the present government of the Federal District Department, taking advantage of their influence stemming from the positions that they hold on all levels in the current administration."

For example, the representatives of the union explain that, in 1967, the Las Lomas Development, Inc was established, and has invaded about 2 million square meters, including land in the district of Cuajimalpa.

"In 1980, the same company, at a ridiculous price, appropriated 1.5 million more square meters, and so it has at its disposal Loma Larga, which is located at kilometer 16 of the Mexico City-Toluca highway, opposite the Vista Hermosa development, where there are also many Jesuit schools.

"Then they planned to build a university on that same site; and, similarly, they intend to create main roads, with the backing of the Residents Board, headed by architect Martínez Carrillo, who descended on them as if from heaven. In this way, the low-cost housing developments, such as Yaqui, Memetla, Contadero, Lomas del Chamizal, Navidad, San Jose de los Cedros and the capital of Cuajimalpa, have been affected."

The Cuajimalpa Settlers Union also complains that the most serious aspect is the fact that "The cheap purchase of land is not used to benefit the residents of the various housing developments, consisting of farmers and workers, but rather the influential officials and their relatives, who are increasingly ousting the popular classes to exclusion, without even solving their housing problem. In the residential areas they have all the urban services, while the proletarian developments have neither a budget nor permits."

In this regard, the social contradiction that has occurred in the district of Cuajimalpa became evident during the annual meeting of the Residents Board, headed last Thursday by secretary "A" of the DDF [Federal District Department], Manuel Gurria, who was told that, in the Ocote development, they have been waiting 5 years for their land to be given regularized status. The residents of Yaqui said that they have been waiting for over 12 years for the issuance of their deeds to take place, and it was even announced that the residents are ready to hold a strike refusing payments to Mexican Telephone, owing to the flaws and irregularity in the service. It was promised that all the problems would be promptly solved by the official from the Federal District Department.

When the residents who had attended the meeting were questioned, the charge was unanimous, to the effect that, while "we suffer from serious problems, the subdivision developers, companies and politicians, such as Televisa and Guillermo Lopez

Portillo, enjoy all the privileges. A very noteworthy case, topping this off, is that of the pressure that the residents of the Palo Alto Cooperative are suffering from the subdivision developers of Bosques de las Lomas, Inc, who do not allow them to hook up their water and drainage system to their residences."

In contrast to the big mansions, "we workers who live in the Chamizal development are denied any construction permit, water supply, drainage system and other public services, to the point where they invade our land, search houses and ban the passage of belongings through the mounted police, or orders from the representative, Maximo Hevia Ramirez."

According to the Cuajimalpa Settlers Union, the most disturbing thing, particularly in view of the current conditions in the country, is that there has been no explanation to the people thus far concerning the houses on Lomas de Vista Hermosa hill, the estimated cost of which is 500 million pesos.

The houses exist. The rumors are increasing and coinciding. Sanchez Cardenas' question is awaiting an answer.

#### Capital Mayor's Connecticut Home

Mexico City PROCESO in Spanish 13 Sep 82 pp 22-23

[Article by Rafael Rodriguez Castaneda]

[Text] It all began with a residents' protest: the community of New Canaan, in the state of Connecticut, was annoyed by the construction of an impressive stone wall around a luxurious Tudor-style mansion.

The inquisitiveness of the people and the press led to a result: The ownership of the mansion was attributed to an unusual resident, the mayor of the capital of Mexico, Prof Carlos Hank Gonzalez.

Minutes before making the dramatic announcement of the nationalization of the banks and the establishment of total control of exchange, President Jose Lopez Portillo emphatically stated in his Sixth Government Report: "I can claim that, during a few recent years, it has been a group of Mexicans, whoever they may be (true, using rights and liberties, but headed, advised and backed by the private banks), who have removed more money from the country than the empires that have exploited us since the beginning of our history have."

The phrase "whoever they may be" was completed, a few lines ahead, by this paragraph: "The Executive Branch which I head has general samples, data and initial lists of what these transactions (those of the dollar-removers) represent. I put them at the disposal of this sovereign entity and I propose that a committee be formed to study them and arrive at solutions."

Up until the time of this writing, there has been no public announcement that a committee of this kind has been formed in the Congress of the Union.



A few days earlier, at the Standing Committee meeting on Thursday, 26 August, Deputy Carlos Sanchez Cardenas ( of PSUM) raised doubts concerning matters which were troubling the public: "...The following is some of what is being said about the city's mayor: That in the town of New Canaan, in the state of Connecticut, in the United States, he invested a large sum to purchase an area surrounded by woods, covering an area of nearly 3 hectares, and a Tudor-style mansion, with 20 rooms, nine marble fireplaces, a wall 1,500 feet long which, alone, cost \$400,000, with swimming pools interconnected by artificial fountains and waterfalls, and bathrooms luxuriously outfitted in marble, silver and gold."

Sanchez Cardenas continued: "I request that the honorable mayor explain these reports, and tell us whether his name should be included among those of the investors in foreign countries and those removing dollars, harming the national economy, or whether this is slander."

Up until the time of this writing, neither Prof Hank Gonzalez nor the press office of the Federal District Department has deemed it fitting to respond to the PSUM deputy's questions.

Since the wall incident, the United States press has concerned itself with the mysterious mansion in New Canaan. A Stamford, Connecticut publication, THE ADVOCATE, printed a lengthy feature article, which was reprinted in THE SUNDAY EXPRESS-NEWS. The subject matter was reiterated in NEW YORK, a weekly with national circulation.

The data cited herein were taken from those publications which, moreover, have been widely distributed in Mexico, but this has not evoked any explanation either.

The house whose ownership is attributed to Hank Gonzalez is located at the top of a hill, in the middle of a wooded lot of 3 hectares, surrounded (as we have said) by a stone wall 3 meters tall, the cost of which has been estimated at \$400,000.

Built before World War I, in Tudor style, the mansion has 20 rooms, and was purchased with spot cash for \$875,000 in 1980, through the real-estate brokerage firm Milford Corp.

According to data from the New Canaan construction office, as of last May (the date of the publication in THE SUNDAY EXPRESS-NEWS), a million dollars had been spent on the renovation and improvement of the house. There was restoration and the installation of nine marble fireplaces, the stone wall and a kitchen which "could be the envy of chefs in most restaurants," according to Kenneth Waters, the town's construction inspector.

The bathrooms have been walled in marble, with faucets plated in gold and silver; and there are two swimming pools, interconnected by artificial waterfalls.

In the gardens, a large shed was outfitted for occupancy until the work on the main house is finished. An extra garage for three vehicles was added to the original construction.

Visitors arriving at the mansion are received by a maid who, before opening the luxurious wooden door, identifies them through an intercom and a one-way mirror concealed in the wall, on which are hung signs saying "beware of the dogs," although no dog has ever been seen.

Before a visitor arrived, a uniformed chauffeur was seen coming in a Mercedes Benz station wagon. The chauffeur himself informed the visitor, who was already in the garden, that "there is no one at home."

From outside of the main house, up to where the cars arrive along a circular path, one can see in the hall objects of religious art in bronze and huge cut glass chandeliers. Opposite the main door is a stone fountain, topped by the reproduction of a pineapple, a symbol of hospitality during the colonial era in the United States.

This has been information provided by the aforementioned publications and clearly based on indirect testimony. The rest of the articles cite their fruitless attempts to obtain more information on the ownership, both in New Canaan and Mexico City.

However, their reports include another item: The Hermes industrial group, headed by Carlos Hank Jr, has investments in the firm Combustion Engineering, Inc, which is located near New Canaan, in Stamford, Connecticut.

#### Durazo Moreno's 'Parthenon'

Mexico City PROCESO in Spanish 13 Sep 82 pp 23-25

[Article by Ignacio Ramirez]

[Text] Zihuatanejo--Leaving this earthly world, even for only a few instants, and reaching Olympus, is no easy matter: a black wrought iron gate 20 meters wide by 10 meters tall separates paradise from the inferno.

It is the entry gate to the house of Gen Arturo Durazo Moreno, who ordered the construction of a replica of the Parthenon which would be envied by the great master of Greek architecture and sculpture, Phidias, and his students, but not for the structure as a whole, per se, which after all is a gross imitation, but rather for the conveniences: air conditioning, color television sets, microwave ovens, console tables and other "souvenirs" of the police chief.

Guarded to the maximum extent, with access prohibited to any mortal who would dare come here, the fortress is built over an area of 20,000 square meters (part of it communal land, without a presidential decree for expropriation or, of course, any compensation for those affected), on a hill overlooking the La Ropa beach, among the residences known as Las Gatas and Zihuatanejo, with the best view of the bay.

Also like the splendor of the Hellenic structure built from the time of Cimon of Cleona until that of Pericles, Durazo's mansion has taken a long time to build: the layout began 4 years ago. To date, 40 masons, tradesmen, painters, gardeners, drapers, carpenters, cabinetmakers and varnishers have been working there. "And we don't have a time when it must be finished," comments one of the laborers.

Nevertheless, the house, which cost 700 million pesos, is virtually completed; the finishing touches are being applied to it, including the gilding of the friezes on the 42 Corinthian-type columns encircling the ground floor living room. But another

24 of lesser thickness which will surround the parking area are just having their foundations built.

Yet its first occupants are already there: a dozen statues which embellish the gardens, pheasants and swans going around the pool, stuffed lizards, bronze deer and an ivory elephant, as well as a pair of ceramic dogs, awaiting their master.

"It is an insult to the people," declares the municipal president, Fidel Gutierrez Gordillo.

It was daybreak in Zihuatanejo (a Nahuatl word which means "dirty women," referring to the impure souls of the happy companions of King Caltzontzin, who chose this site as a favorite one for summering); its residents were still waking up to the echo of the remarks made by the head of the nation, in his last government report: "Our weakness, by way of distrust and ambition, made us weaker and made the strong stronger."...."The country can no longer allow dollars to leave in order to pay for real estate purchased abroad."

The local authorities say that the chief executive did not mention the real estate that rich Mexicans have built in the country, boasting of the fact that they gained millions without having done anything except prosper.

Durazo's "Parthenon" is only a sample, around which the people have woven a thousand and one legends.

"There would be a Chinese wall...a Persian king was coming to live there...at best, it would be a zoologist...there would be another Club Med...they would build a naval fort...it would have this, or that...." And there was one question being voiced: "Where did Durazo get so much money?"; accompanied by a regret: "And one is here, so plagued."

The people remember that, 4 years ago, construction began on the protective stone wall which surrounds the house, topped with wire mesh, but that it collapsed because it lacked the minimal security conditions, which is why the local residents knew it better as the "wailing wall."

It so happened that the foreman in charge of the construction was trafficking in construction materials; he was dismissed. Now, according to malicious rumors, the lieutenant colonel heading the garrison has been threatened with death if the same thing should occur.

The same fate could befall anyone who dares to come here. The general advice is not to set foot here because no one except the workers, who have a rollcall as they would in a barracks, has access to the property.

The Durazo house may be discerned from any angle of the bay, it is so large. From the coastal highway, the wall stands out, identical to the one at Chapultepec Castle, in Mexico City, as is the access railing.

On the road, the taxi driver warns that he cannot stop there. He claims that no one even reaches the intersection of the two-lane main highway, built expressly, which runs from the coast to the main door. One reads: "Entry prohibited, NO."

The paved road is half a kilometer long; it is embellished by a border with plants and posts on the sides containing lanterns and lights using low pressure neon gas. The winding main road leads the visitor to the main door; outside there are pickup trucks, trucks for hauling concrete materials, industrial cars, automobiles and boats, two of them speedboats for boat races.

At one side, the parking area and the guardpost are being constructed. The stone masons, like "diacrios" and "paralios" (tradesmen and workers of ancient Greece), come and go, hauling sand, gravel and cement for the mix. They open the main door; it is 1300 hours, mealtime. The sun burns the skin. Those emerging from inside the large house, as soon as they cross the entryway, without the roof to protect them, grumble: "It's an inferno outside."

Behind the railing is the main fountain, with half a dozen statues: replicas of David, Apollo, nymphs and Doric warriors with the Spartan helmet, life-sized. It is the first stunning view of this unique Olympus.

The paved passageway leads to the "Parthenon." Like the Greek temples for the gods and recreational buildings, made flat with columns and entablature, it has rectangular rooms, as at Delphos.

Durazo's mansion consists of two stories, and is of rectangular shape, with columns topped by capitals; but with a notable difference: there is a combination of Greek architecture (the front) with another of a modern type (the rear portion), the latter being of a Mexican rose color. On both facades there are embedded portals, sculptured with mythological scenes, perhaps depicting Homer's song to the Greek people, joyous and conquering, as well as their gods who, far from remaining aloof and inaccessible, were always willing to descend from the heights. A television antenna, like a flagpole on a corner, breaks the spell.

When one has just crossed the entry way, in vaults, there are replicas of Venus de Milo, Minerva and Mars, leading to the living room which occupies the entire ground floor, with a Carrara marble floor. In the center, there is an impressive bronze Zeus, 2 meters tall, with a base of the same size, in a fountain with plants and colored "spots," signed by Durazo's favorite artists: the Ponzanellis. (A year ago, one of the sons of the sculptor of the same surname remarked in private that he had sold a head of David for the police chief's house in Ajusco, for half a million pesos).

There are amphoras and stuffed animals, or animals reproduced in bronze and ivory; from the ceiling, copper plant containers hang on chains, and on the columns hang small lamps which will afford the general's pleasure: seeing his house lighted in all its splendor by night.

All this is still in disarray: upholstered furniture covered with plastic, a console table here, and an electric organ there; lamps and chandeliers, figurines and a turn of the century telephone. The painters are touching up the columns, the masons are installing the marble in the bathrooms and some women are sweeping and dusting.

The bar is also of marble, awaiting the wine. And the kitchen is equipped with microwave ovens, complete and spacious; so much so that three luxurious, gilded, circulating fans fit into it.

Touring the ground floor is like returning to the past. The walls have brightly colored murals portraying Greco-Latin daily life. But there is something which destroys the harmony and balance, succumbing to exaggeration and even coarseness.

Facing the living room, in the middle of the columns with a view of the bay, a small stairway leads to the swimming pool, with more nymphs and white sunshades; and there are two guards: a pair of ceramic dogs. At one side, the garden bar is under construction, in circular shape, with many columns: the "right now" as the workers call it, "because that's what the engineer says."

The front is topped with urns on the protective wall, from which one views the entire bay of Zihuatanejo, the other world, the world of the poor, with their hovels scattered in the woods. "The inferno, sir, the inferno."

Returning, there are some stairways leading to the upper floor. A corridor extends the entire length of it, with a front resembling a terrace with frets: pictures, and more pictures covering the whole wall. There is a recreation room, with scenes recreating Hellenic mythology, still with the prime concept of divinity: small statues and idols.

And there are four bedrooms with suspended beds and color television sets that would make Aphrodite envious, or, why not? even Pallas Athena.

The bathrooms would not be insufficient for any of the gods: more marble and gilded faucets; everything gilded.

On the upper floor, everything is finished, or almost, even the chandeliers. All that is missing are the rugs. The varnishers are applying the finishing touches.

Through the windows, one sees the hill that safeguards the fortress....

How could one define a structure of this type, a combination of everything that has been and has yet to be?

Engineer Miguel Farias Salazar, director of public works, when asked this question, summarized his answer in this remark: "In very bad taste, the worst, I would say."

However, for the general it may be quite the contrary.

The municipal president, Gutierrez Gordillo, says: "Durazo's house is an insult to the people."

The mayor recalls the general's remarks to the effect that if the poor are entitled to have a house in Zihuatanejo, why isn't he? "But none of the 25,000 residents of this municipality have such a house, by any means. Come now, they wouldn't even imagine it in a dream!"

Slightly over a year ago, Gutierrez Gordillo attempted to halt the construction, but it was useless.

What happened?

"Figueroa retreated."

Why?

"He was the governor...."

The work was to be stopped because Durazo was not paying any taxes. The authorities sent the pertinent official letters to have him comply with the tax system. To date, he has not contributed a single centavo for this purpose.

Durazo delegated and took over the land without asking anyone's permission, and dispossessed the communal farmers and private individuals, without giving them compensation. Farias Salazar, director of public works, claims, "There was no order for expropriation."

As the official explains, a square meter of land on the bay is priced at 2.00 pesos. The construction is first-rate: Italian marble, stone brought from the capital of the republic, air conditioning: in short, all luxury equipment. When all this is added (40 million pesos just for the price of the land), plus freight charges, construction, sculpture, painting and "souvenirs" for the general, the amount invested reaches 700 million pesos.

Not content with this, Durazo wanted to take over the island of Ixtapa, where they halted another building of his. And, a month ago, on the second occasion, a restaurant of his was closed in that town, because it did not have a license to operate.

Why was Zihuatanejo Durazo's favorite spot? How did he gain so much power here?

There was a protector: Armando Federico Gonzalez Rodriguez, the former municipal president.

First, he received him as a guest of honor, then he gave him the keys to the town, and later he converted him into Zihuatanejo's "favorite son." And he issued him a building permit free of charge so that he might build the "Parthenon" without abiding by the regulations of the Zihuatanejo Bay Trust (FIBAZI) for this type of construction.

The fact is that the general has been greatly honored. In April of last year, he was admitted as a member of the National League of Honor Council, the purposes of which, according to one of its members, Martha Barrueta, "are primarily to disseminate culture and to contribute to Mexico's progress." On another occasion, police and military officials from Ecuador called him "leader of our union in Latin America," no less.

Gutierrez Gordillo regrets the squandering on Durazo's house, while the local residents are embroiled in their shortages: There are 60 hospital beds, in very poor condition, for the entire population.

A year ago, when he took office, the municipal budget was 26 million pesos; now it is 54 million, "insufficient, it will always be insufficient," stresses the

mayor who, on the subject of the Durazo fortress, makes the comment with greater emphasis: "Insulting, truly insulting."

In early July of this year, Durazo Moreno made the following remarks to PROCESO when he announced the dismissal of 11,500 policemen thus far in the 6-year term, policemen who did not deserve the society's respect and confidence; in short, for being corrupt.

[Question] You are said to be a very rich man.

[Answer] Not so much so....

[Question] To what is a public official like you, about whom so many things are said, exposed? We also recall that you were identified as one of the dollar-removers.

[Answer] Removing what? How could I be so ignorant or so stupid? At the present time, I have only my house; and you can check on how much it cost me, and when.

[Question] Which of all of them?

[Answer] No, no, no. What do you mean, which of all of them? None....My house has cost me blood! But we Mexicans are such clods that we do harm to one another.

[Question] We mention your houses to you because in Guerrero, specifically, in Zihuatanejo, the mansion that you have there is common talk, as is the one you own in Ajusco, and....

[Answer] Well, we have not finished that one. Besides, I am entitled to have a house in Zihuatanejo, am I not? If the poor have one, why not I?

Early last year, the police chief told another reporter: "I am the same as ever; and I want to be like this all my life. I am not untruthful. Yes, I live well, in the sight of everyone. I am not like many who have money and who hide it, living in caves."

Durazo Moreno has been inclined to come out persistently against corruption. In 1978, he said: "We are here to serve, on the basis of the policy of work, integrity and humanism of President Jose Lopez Portillo and Prof Carlos Hank Gonzalez." At the same time, he asked for understanding of the police, "who are friends, protecting our interests, even though I realize that there are still harmful elements included in our ranks."

He urged: "Those who dislike or refuse to obey the regulations can go out on the street, to make way for individuals who will really try to serve the community with honor."

He warned: "Let there be a dismissal or demotion of any member of the entity who does not efficiently and honestly perform the work that is assigned to him."

Allergic to criticism (a common denominator among public officials), the general has admitted to having many enemies; but he does not complain: "It is of no concern to me that some hate me....I have the unwaivable commitment that, when I go, I shall leave behind, and turn over a police force that is more worthy, more honest and more conscientious about its obligations."

He gives better acknowledgment of his friends, particularly one: the president, the friend of his youth, "whose confidence I would never betray, upon becoming head of the entity"; and whom he applauded effusively during the last government report, when the president spoke about corruption and his efforts to combat it.....

#### Police Chief Defends Wealth

Mexico City UNOMASUNO in Spanish 17 Sep 82 p 27

[Article by Victor Aviles]

[Text] The chief of the capital's police force, Arturo Durazo Moreno, admitted to being a rich man, thanks, he claimed, to many years of work: "I had 14 trailer trucks, and I accrued results in all areas; I have been an industrialist; I associate with important people, only I don't go around shouting it." And he explained: "My money does not come from the police force, because if I made my living from it, I would already have died of starvation."

General Durazo Moreno considers himself a victim "of envious people who cause me a great deal of trouble; but I don't have any more than what I should have." He advised his critics to "get to work like Durazo. I can have property wherever I like, if I have money. I am not taking the properties abroad," he noted.

Interviewed last Wednesday at Los Pinos, where he went with 500 officials of the DDF to give President Lopez Portillo a check for 197 million pesos, for the National Solidarity Fund, on the subject of his summer house in Zihuatanejo, Durazo Moreno commented: "I have been living there for 15 years; go and check it at the registry."

He repeated on several occasions that he money does not come from the police force, "and if this is not so, let any policeman or section chief say whether he has given a centavo to General Durazo."

Panting as he climbed the garden steps, before concluding the interview, Durazo remarked: "Right now, based on an agreement with the DDF Council, we are reorganizing, so that they may cooperate with us in dismissing individuals who are corrupt, in their own judgment, because it is a measure that would be quite beneficial, for the good of the citizens of Mexico."

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## INTERNAL DISPUTE OVER ECONOMIC POLICY SKETCHED

## Two Contending Trends

Mexico City PROCESO in Spanish 13 Sep 82 pp 6-9

[Article by Carlos Ramirez: "Tello Macias, Advancement From Nationalization; Silva Herzog, Turning Back"]

[Text] Now that the nationalization of the banks and the control of exchange have been ordered, the government is faced with an internal dispute in ascertaining the concrete, long-term implementation of both decisions. Caught between a crisis, a dollarized debt, external and internal pressure, immediate due dates for loan payments, intervention by the International Monetary Fund and a certain air of conservatism on the part of the government sector, the nation is midway between the projection of those measures for immediate changes and the acceptance of international commitments and programs for adjustment which would postpone reforms and limit the scope of the decrees of 1 September.

As occurred 6 years ago, inside the government the dispute over the national plan is under way. Various situations have triggered the positions: According to Carlos Tello Macias, new director of the Bank of Mexico, the country is on the path of an economic reform that will retrieve the national development plan, which has been forgotten as a result of speculation, the flight of capital, the financial crisis and the partial programs subsequent to 17 February. According to Jesus Silva Herzog, secretary of finance, the important thing is to negotiate the letter of intent with the IMF, in addition to the view that the nationalization of the banks was only a change in owner, and that their function should continue to be the same.

As an arbitrator of both positions, President Lopez Portillo will eventually be forced to opt for one of the two, as he did in 1977, when he accepted the resignation of his secretary of programming, Carlos Tello Macias, and his secretary of finance, Julio Rodolfo Moctezuma. There are, however, certain situations which do not mechanically repeat the atmosphere of 1977: There is great popular, social and political support for the bank nationalization and the control of exchange, while the mass-scale rejection of the Monetary Fund impedes any secret negotiations. At the same time, certain internal government pressure groups do not want the state to keep the shares of stock and companies of the private banks, although the expropriation decree cites this as an order. In the event that it should rid itself of them, there would be a denationalization of the nationalized banks, something rejected by trade unions and social forces.

The internal disputes in the government are starting to take shape. For the present, the conflicts are established: The plan for economic reform with the nationalized banks entails greater state participation in the economy, and a restructuring of the industrial plant, with protected frontiers and rationed dollars. Nevertheless, the plan for a letter of intent (which, according to David Marquez Ayala, is a "letter of surrender") put forth by Silva Herzog last week requires less state participation, a cut in public spending, a curbing of wages, support to the private sector and an opening of frontiers in the GATT manner.

After what happened in 1980 with GATT, the social and political sectors have understood the nature of the internal controversy in the government. Hence, the pressure from trade unions, parties and other social forces has been in harmony with the national economic reform. In fact, they have pointed out in statements and demonstrations that what the country is putting at stake is the autonomy to stipulate its own national plan and the possibility that the state, with the banks and financial resources retrieved for the nation, may be able to meet its social and political commitments.

Silva Herzog was responsible for the opening of this controversy. Excluded from the nationalizing process, the secretary of finance learned about the decrees hours before the reading of the Sixth Presidential Report. Without much spirit, and with bureaucratic formality, he submitted his resignation to the president of the republic. With that same formality, the official was confirmed in his post and given instructions to have Tello Macias sworn in as director of the Bank of Mexico, something that he did without conviction. At the respective ceremony, he cited the absence of the outgoing director, Miguel Mancera Aguayo, who did not even express thanks for the 5 months that he lasted.

With his spirits deflated, at the beginning of September Silva Herzog left for Toronto, Canada, to attend the meetings of the IMF and the World Bank. And it was precisely then that he broke protocol and caused the dispute about the nature and scope of the nationalization to be exposed. But he did not do so in a decision vacuum, but rather just a day after the director of the Bank of Mexico had established the new goals of the banks, in a public presentation televised nationally, and following an agreement with the president of the republic.

The tone of both officials was essentially contradictory. While Tello Macias announced cuts in interest rates, he refused any contact with the press until the regulations for the presidential decrees had been completed, and he set forth new social directions for the banks and the country. Silva Herzog took the liberty of calling a press conference in Canada, to talk with Mexican newsmen who had little information on the decisions of 1 September, and to define what, in his opinion, the functioning of the nationalized banks should be.

On Sunday, 5 September, in Toronto, the secretary of finance said that there should not be so much change in the banking principles. The comments gathered were: "The fundamental principle of financial operation, to pay the saver an attractive yield, should be retained, and we should avoid any attempt at subsidy, which would impede the good use of the meager resources that are available."

In Mexico, during a presentation at the Los Pinos presidential residence, Tello Macias talked about relaunching the banks as a tool for development, dissociated from previous functions. According to Tello, while the private financial sector had been used for speculation, in the hands of the state it could be used for recovery. He established goals for this, which would be attained with the nationalized banks: to strengthen the country's production and distribution systems, to reorganize the credit system, to curb inflationary pressure, to give security to savers, to back small account holders and to cut interest rates.

Two positions, two perspectives had been set forth, here and in Canada. According to one, attractive interest rates would have to be maintained; according to the other, according to Tello Macias, the reform of the financial system could have greater scope if there were a decision to accomplish it. In Tello Macias' view, this was the key to the so often promised and postponed national economic reform.

#### Silva Herzog, a Conventional Man

Behind the controversy are the personalities of two government economists and their activities as officials. With little theoretical tradition, Silva Herzog was trained in the state's financial bureaucracy, where the alliances between the government and the private sector constitute an entire cycle of coincidences, commitments and realities. In fact, Silva Herzog could not control the crisis of 1982, and did not succeed in proposing solutions that would save the country. In a formal manner, he solved the crisis with statements of confidence. He was never willing to take on critical decisions and, in the end, even encouraged and backed Miguel Mancera Aguayo's refusal to set up any exchange control.

When he took office in March, he had only his presence as undersecretary of finance behind him. After that date and until 1 September, he was the government's lightning rod and negotiator, although he had in his hands the opportunity to propose real solutions for the crisis. His proposals were always on the defensive, without exacerbating the feelings of the business owning and banking class. He even got hold of Agustin F. Legorreta, president of BANAMEX, to help him, with his friends, the international bankers, in renegotiating the foreign debt.

From March to August, the crisis grew until it became uncontrollable. There was no decision more extensive than that to curb certain acute aspects of the crisis. Essentially, there were more statements than decisions. It was even necessary to accept a call to attention from the then PRI [Institutional Revolutionary Party] presidential candidate, Miguel de la Madrid. After the submission of his adjustment program in April, with monetarist prescriptions and those of a certain aspect similar to that of the International Monetary Fund, the threads from abroad were observed very clearly. On 8 May, at a meeting on financing for development, De la Madrid commented: "Only the naive are still locked in the old argument of structuralism and monetarism." It was a direct message against the secretary of finance and his measures. On 15 May, Silva Herzog responded to his critics at Cuernavaca: the monetary adjustment of April is very far removed, and dissociated from monetarist solutions.

On 23 April, he announced his adjustment program. Although the measures represented austerity, zero growth and social problems, Silva Herzog talked about providing

for employment and dealing with major problems relating to the majorities' capacity for living. In essence, both desires were opposed to one another. Nevertheless, the program represented a retrogression for the state and a withdrawal of the government in the economic leadership, faced with the speculative celebration among bankers, merchants and business owners. He insisted on speaking about a financial crisis that was exclusively one of liquidity. From that time until the end of August, the economy underwent uncontrollable upheaval.

Until June, the situation appeared to be more or less the same for the secretary of finance. He reiterated this on 28 June, at Los Pinos. In his comments, he mentioned an upsurge in the economy and the crisis having been controlled. He did not comment on the problems of liquidity, unemployment, marked concentration of wealth, inflation, shortages, speculation, the decline in the living standard of Mexicans, dollarization, reduced wages, reduction in industrial production or a crisis of national liquidity. The trade unions responded with facts and figures on the intensification of the crisis. There was, actually, a confusion of terms: To Silva Herzog, controlling the crisis meant less public spending, recession, less currency, more monetary reserves, a cut in the fiscal deficit, a lesser trade deficit, a reduction in the account current deficit of the balance of payments, more oil exports, less bureaucracy, layoffs and less public investment. However, the financial crisis was beginning to cause havoc in the general economic system, in the industrial plant and in political and social relations.

Consequently, there were two countries. In any event, the government's financial situation was worse than what the finance secretary himself had claimed to be recovering. He talked about "cash problems" when the government's cash funds were becoming dangerously emptied, without anyone doing anything. According to Silva Herzog, it was merely necessary to replenish the funds and everything would be solved. In August, Silva Herzog announced the dual type and other support measures. But, in the end, they turned out to be deceptive: He announced 35 percent reductions in the income tax; but in reality it amounted to only 11 percent.

On 23 August, when the crisis was sliding out of control, the Finance entity declared that the international situation was preventing any correction in the nation's problems. Nevertheless, on 26 August Silva Herzog appeared to have regained confidence, and delivered the first preferential dollars. The first one to benefit, strangely enough, was Ernesto Rubio del Cueto, former president of CONCAMIN [Confederation of Industrial Chambers] and owner of Mexican Cement.

On 30 August, Silva Herzog did not know about the nationalization. However, he declared that the country's economy was sound and the financial problem temporary. "Mexico will come out well preserved," he remarked, while the speculation was scandalous and unrestrainable, and the country's structures were tottering.

During this phase of the crisis, Silva Herzog had no solutions handy. In addition to diminishing the effect, he always kept the card of oil. Nevertheless, he did not cease stressing that the amount of the debt was not dangerous, and was controllable. He went so far as to say that it represented only 5 percent of the reserves, something which raised questions, even within the cabinet itself. Nor was he able to serve as a bridge between the two presidents, the outgoing and incoming one. Both wanted in depth solutions, but Silva Herzog kept stressing liquidity problems.

The negotiations with the international bankers were tense and lengthy. A 90-day extension was achieved, but it was because the bankers want nothing to do with Lopez Portillo and are waiting for De la Madrid to settle accounts. When Silva Herzog went to talk with the bankers, he arrived with few proposals. According to the WALL STREET JOURNAL, he requested a suspension of payments until 1984. The bankers asked him for economic programs of the next president of the republic and the current one, but he could not offer anything more than generalities. The most that he achieved was the extension.

Toward the beginning of September, he was inclined toward the inevitable negotiations with the IMF. In the public explanation of the crisis on 18 August (which was clear in that it was elementary, but vague because it did not indicate any courses of action to follow other than negotiations with the international agencies), the finance secretary even announced recent talks with the IMF. Nevertheless, reports from the IMF itself mentioned conversations with the Finance entity over a period of several months. He did not offer any other courses of action. In Toronto, at the meetings of the IMF and World Bank, the negotiations were oppressive. To date, there has been no decision.

It was in Toronto that Silva Herzog came into contradiction even with himself. On 5 September, he told Mexican newsmen that Mexico would pay interest only until 1983, on the basis of an agreement reached with foreign banks. However, 2 days later, he retracted, and announced that Mexico would turn over its economic and financial programs to the banks to show the national recovery. In addition to the shock in the world's banking headquarters, the IMF reacted violently, and apparently stopped the negotiations. Silva Herzog made a retraction on 8 September.

#### Tello, a Strong Man

This is where the conflict has started between the two economic plans. Tello Macias wants to exclude the nationalization of the banks and exchange control from any negotiations with the IMF, while Silva Herzog wants to set up a recovery program based on austerity, the governmental financial system, monetary adjustment, a reduction in public spending, limiting of the bank nationalization to a function the same as the previous one and the temporary status of the exchange control.

Nevertheless, Tello Macias is a hard man, with deeply rooted convictions; in 1977, he resigned and publicly disclosed that the Finance entity's monetary program was being advised by IMF officials. In 1982, history has repeated itself; only the country is faced with critical possibilities and decisions. Tello Macias has in his power the retrieval of the national plan which has the following significance to him:

"The battle to maintain and expand the control of the nation, based on the general conditions under which production is taking place, national handling of the resources, the strengthening of economic independence, and full exercise of the national sovereignty in the realm of economic and social policy." In specific areas, that plan seeks: greater state participation to fulfill social commitments, the promotion of employment and production, a reassessment of wages and use of public spending as a promoter of just development.

In his book, "Economic Policy in Mexico, 1970-76," Tello Macias cites the stabilization programs and the presence of the IMF as "persistence in reviving corpses." In that text, he proposed the need to break off from obsolete structures which were impeding deepseated reforms in the country. Under the Echeverria administration, that lack of a decision to change structures eventually prompted talk of "a shamed stabilizing development."

The economic situation has also been repeated in 1982, as it was in 1976. Hence, Tello Macias' comments have proven prophetic: "The efforts to reconstruct the past, amid totally different national and international conditions, were not introduced suddenly, but rather in parts: they were disguised as 'stabilizing schemes,' warnings about the 'inflationary consequences' of excessive public spending; recommendations regarding the 'temperate' management that should typify monetary and credit policy; a caution about the 'imbalances' that any tax adjustment would create; programs to 'drastically' reduce the external imbalance through lesser growth; and appeals for 'budgetary balance.'"

In general, he adds, what is involved is "the entire prescription book in which the ideology that seeks to preserve the petty class privileges through unemployment, poverty and the alienation of millions of Mexicans has become implicated, both nationally and internationally. It is the same ideology that sees in the South Americanization of our economy and in overt repression the last resort for protecting its reduced world." With nationalization and exchange control, the country moved away from that South Americanization, and Tello Macias is seeking to move it away from the IMF definitively.

Nevertheless, the presence of the IMF (spectral at first, and obvious later) has been quite persistently hovering over the country. Therefore, returning to the IMF and its prescriptions, and curtailing the nationalization of the banks and the control of exchange represent a turnabout, a regression and a retrogression to the stabilizing development that was buried on 1 September. According to Tello Macias, one course of action remains:

"The only alternative to this type of strategem (that of the IMF) is the formation of a new strategy for national development, which will immediately apply the necessary measures to redirect the economy toward goals of greater production and employment, of meeting the basic needs of the majority of the population, of redistributing the income among groups and regions of the country, of maintaining our sovereignty as a nation, and of bolstering our economic independence and our democratic freedoms," he comments in his essay on the economic policy from 1970 to 1976.

And now as in the past, the threats are hovering overhead. With the financial system recovered, the bases for economic reform are closer than ever. Nevertheless, another plan has arisen from the Secretariat of Finance with tentacles originating in the IMF.

Much remains to be done in order to make the nationalization irreversible. In any event, there are initiatives to limit those measures, and they do not originate in the IMF alone, but rather have been manifested here. In addition to Silva Herzog, the new generation of bankers in the nationalized banks lacks both the experience and the mentality for turning them into a tool for development. Some

of them have been former finance secretaries and, as such, were allies of the bankers. Others, such as Leopoldo Solis, come from the Bank of Mexico, when that institution catered to private financial interests. Now, they have a new opportunity to redirect their ideas, led by Tello Macias.

However, there are certain situations. For example, David Ibarra Munoz (the man who created the financial power of groups) remained as director of BANAMEX, and offered a job to Ruben Aguilar who, until 1 September, was a director of that bank and a person who fostered the speculation. When some lesser officials of BANAMEX went to see him, frightened by the unbridled speculation, Aguilar told them that it was time to profit and that they should spend time and resources speculating with foreign exchange. After participating in the private bankers' conclaves at the Camino Real Hotel (owned by BANAMEX), Aguilar departed and left them to protect themselves with Ibarra Munoz.

If the banks were nationalized, the process could become bureaucratized or halted in many areas. For this reason, Tello Macias is in a race against time, and also for this reason President Lopez Portillo has the decision in his power: either total economic reform which (as he himself said in his Sixth Report) would mean that "many pending decisions could be made," or, otherwise, accepting stabilization programs from the IMF, retrogressing in what has been gained and denationalizing what has been nationalized. In the last analysis, it is the contest for the nation at critical times.

#### Judicial Considerations

Mexico City PROCESO in Spanish 13 Sep 82 pp 8-9

[Article by Maria Esther Ibarra]

[Text] Owing to the "errors based on constitutional legal grounds" that were made (so some university-affiliated jurists claim) by President Lopez Portillo in the decree expropriating the country's private banks, the former bankers are being given the means to make explicit use of protection against the decree, an appeal that would have to be filed within a period of 15 business days.

Controversial discussions regarding the legal content of the decree of 1 September have arisen among jurists, on matters ranging from semantic problems associated with the "misuse" of terms such as nationalization, expropriation and repeal of concession to "violations" of constitutional articles (essentially Article 27, relating to the case of public utility) and confusion regarding what will have to be paid to the former bank owners as indemnification.

But the most controversial discussion arose personally, between two members of the Constitutional Law Seminar at the UNAM [National Autonomous University of Mexico] Law School. The participants were Dr Ignacio Burgoa Orihuela and Enrique Sanchez Bringas, holder of a master's degree in constitutional law.

Dr Burgoa, a specialist in the area of "defense of private persons against the administration," upholds the proposition of "unconstitutionality of expropriation of the banks," and the legality of the protection; while Sanchez Bringas claims that there are sufficient economic reasons based on public utility for the expropriation and grounds for the expropriation of the banks.

Following is part of the discussion between the two jurists:

Sanchez Bringas: "Doctor, in your view, shares of stock were not expropriated and those affected are the banks as bodies corporate. Then what role do the shares of stock, which no longer belong to the company, but rather belong to the individuals, have?"

Dr Burgoa Orihuela: "The shares of stock were not expropriated, but rather the holdings of the banks."

Sanchez Bringas: "The capital is being expropriated."

Dr Burgoa: "Yes, the capital, but it belongs to the banks; the stockholders have a share in the capital. And because it is impossible for the banks to continue operating, the Law on Commercial Corporations calls for the dissolution and liquidation of the banks. Part of the liquidation will be assigned to the stockholders, but when the banks have been dissolved; and, up until right now, that has not happened. The banks continue to exist as companies."

Sanchez Bringas: "As the government has stated, there will be indemnification. But on what basis?"

Dr Burgoa: "On the basis of Article 27, the value of all the assets belonging to the banks."

Sanchez Bringas: "And how is the value represented in corporations if not through the shares of stock?"

Dr Burgoa: "Pardon me, but so long as the company exists, the stockholder is entitled to a dividend, not to the restoration of his shares of stock; because the shares of stock were not expropriated, but rather the assets of the banks."

Sanchez Bringas: "But the payment will be made on the basis of the value of each institution represented by the shares of stock."

Dr Burgoa: "It is not necessary to pay the real value of everything that has been expropriated. The indemnification is not the value of the shares of stock that appear in the deed. The shares of stock must be expropriated not against the banks, but rather against the stockholders. So, as a result of the expropriation decree, the state would have to be the stockholder of the banks."

Sanchez Bringas: "From an accounting standpoint, the private banks were operating on the basis of shares of stock; the latter represented the value of a company."

Dr Burgoa: "Pardon me, but the accounting aspect has no importance here; furthermore, it is unfair. All the holdings must be paid, not merely the shares of stock; because the banks were expropriated, and they are not owners of the shares of stock."

Sanchez Bringas: "On the one hand, you claim that there is no case of public utility and, on the other, in one of your works, when you analyze the spirit of Article



27 of the Constitution, you say that this case relates essentially to the economic area. Public utility is obvious in the context of the problem of the banks, regardless of the fact that it has been poorly established from a formal standpoint; but a collective interest is being served here."

Dr Burgoa: "Mention should be made of public and social interest. I agree with the measure, but not with the legal format. Furthermore, the banks have always rendered a public service to the community; they are by no means monopolies, nor do they operate to the detriment of the society."

Bringas: "Excuse me, sir, but it has been proven by specialists and experts in other fields that the banks comprise one of the most powerful and most conservative sectors in the private area. And in this case, a political decision was needed more than a legal one. It is also acknowledged that the government had been benefiting these groups, the most privileged ones in the country. The time has come when there is no option other than expropriation. If a different measure had been adopted, matters would have become worse. In terms of sociology of the law, there would have been a reaffirmation of these groups, which are nothing but real factors of power. The banks, along with the Church, the Army and the trade unions, are the most powerful social groups. In the case of the banks, they had already risen above a formal factor of power (the state). So, if the holder of a license for a public service was no longer serving the interests that warranted the license, the legal grounds were sought to take it away from him. The president's legal advisers probably erred in the format but, essentially, the decree is well motivated."

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END